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Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

Official Report of Debates (Hansard)

F-28

Journal des débats (Hansard)

F-28

Standing Committee on Finance and Economic Affairs

Fair Workplaces,
Better Jobs Act, 2017

Comité permanent des finances et des affaires économiques

Loi de 2017 pour l'équité
en milieu de travail
et de meilleurs emplois

2nd Session
41st Parliament

Tuesday 18 July 2017

2^e session
41^e législature

Mardi 18 juillet 2017

Chair: Peter Z. Milczyn
Clerk: Eric Rennie

Président : Peter Z. Milczyn
Greffier : Eric Rennie

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4386

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 18 July 2017

Mardi 18 juillet 2017

The committee met at 0930 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.

FAIR WORKPLACES, BETTER JOBS
ACT, 2017LOI DE 2017 POUR L'ÉQUITÉ EN MILIEU
DE TRAVAIL ET DE MEILLEURS EMPLOIS

Consideration of the following bill:

Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts / Projet de loi 148, Loi modifiant la Loi de 2000 sur les normes d'emploi et la Loi de 1995 sur les relations de travail et apportant des modifications connexes à d'autres lois.

The Vice-Chair (Ms. Ann Hoggarth): Good morning. We are meeting here this morning for public hearings on Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts.

Just a reminder, this meeting is an extension of the Legislature, and the same decorum is required as if you were in the chamber: no clapping, no shouting, no heckling and no political material, including buttons and T-shirts.

Each witness will receive up to five minutes for their presentation, followed by up to 15 minutes of questioning from the committee.

Are there any questions before we begin? Thank you.

LIVING WAGE WATERLOO REGION

The Vice-Chair (Ms. Ann Hoggarth): We will call our first witness: Living Wage Waterloo Region. Good morning. If you would state your names for the record, and then your five minutes will begin.

Ms. Anne Coleman: My name is Anne Coleman.

Mr. Greg deGroot-Maggetti: Greg deGroot-Maggetti.

Mr. Helmi Ansari: I am Helmi Ansari.

Ms. Anne Coleman: Good morning. I am the program manager for Living Wage Waterloo Region, and I work out of the Social Planning Council of Cambridge and North Dumfries. We are a member of the Cambridge Chamber of Commerce.

Raising the minimum wage to \$15 an hour just makes sense. At Living Wage Waterloo Region, we believe that work should lift people out of poverty. In 2011, Statistics Canada calculated the low-income cut-off at just over \$21,000 per year. If someone is working full-time, full-year, at the current minimum wage, they're making less than that amount.

A living wage is the hourly wage a worker needs to earn in order to cover their basic expenses and to feel part of the community. We calculate the living wage on an annual basis in order to make sure we're capturing the real cost of living in our community. For 2017, the living wage in Waterloo region is \$15.42 an hour. Included in the calculation are items such as food, shelter, transportation and child care. Closing the gap between the minimum wage and a living wage will make a real difference in the lives of low-wage workers who are struggling to make ends meet.

We currently recognize 40 employers in Waterloo region who have committed to paying at least a living wage to all of their employees.

I'd like to turn it over to living wage employer Helmi Ansari, founder of Grosche International.

Mr. Helmi Ansari: Thank you, Anne. My name is Helmi Ansari, and my wife and I run a small business in Cambridge called Grosche International Inc. We're a living wage employer, as Anne has said. We try to run our business, which we started out of our laundry room 10 years ago—just to give you an idea of scale; today we have a staff of 10—with the same values that she and I hold as individuals, which are to take care of people, of your staff, steward the environment and try to be good local and global citizens in the economy.

What that means in terms of our staff is that we have to take care of our staff, because taking care of your staff is a prerequisite to getting engagement from your staff, and engagement from your staff is a prerequisite to success in business. If our staff is constantly thinking about how they're going to put food on the table and how they're going to go pay the rent or the mortgage or the utility bills, their mind isn't going to be focused on making the business successful. From a pure business success perspective, we think this was the right thing to do. From a human perspective and from a "taking care of people" perspective, we thought this was the right thing to do as well.

We are also a retailer. We have a retail store in the city of Guelph. When we opened the store, we decided to pay a living wage to our retail store employees. When we opened it and we spoke to people, they said, "You're crazy, because in retail, this is the lowest-wage industry that's out there. You'll never succeed." Our viewpoint was different. We said, "Not only do we think it's the right thing to do, it's the smart thing to do, because this will make sure our business is successful."

In retail, we were told you have to wait two or three years until you break even. Well, you know what? We pay a living wage, which, in Guelph, is \$16.50 an hour, and we were at break-even and we were profitable in year one. We think one of the reasons we were profitable and successful is because we take care of our staff, and our staff takes care of our customers and our consumers. That is the key to business growth.

From a responsibility perspective, being good social citizens in the local economy, we were paying \$12.50 an hour when the minimum wage was \$10 and change. We thought we were doing okay. We thought, "Hey, we're paying more than minimum. We must be good to our staff."

When I learned about what a living wage was, and when I learned about the fact that people who worked for me, who I thought I cared about, were actually living near the poverty line, I had to really take a step back, take a deep breath and say, "I'm not really being true to what I profess is my business vision, my business philosophy, of taking care of my staff."

I called these people in and I said, "Hey, what is a living wage? What do I need to do to make sure that my people can put food on their table?" Because if they can't do that, they're really not going to care about the business.

So we became a living wage employer; we became a living wage champion. As a result, we found that our turnover, especially at these levels of low wages, has been incredibly low. We've had no churn at that level. Our staff actually goes out and talks about our business, and they're proud of working for a business that has these values and that tries to stay true to them, especially in retail. The engagement has been phenomenal.

As a small business trying to compete with big business, this has been tremendously important for us. As the minimum wage rises—

The Vice-Chair (Ms. Ann Hoggarth): Thank you.

Mr. Helmi Ansari: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): This morning we'll open the questions with the official opposition. MPP Jones.

Ms. Sylvia Jones: Thank you for being my first presenter this morning.

Mr. Helmi Ansari: My pleasure.

Ms. Sylvia Jones: I'm sorry. I didn't hear how many employees you had. Is it 10?

Mr. Helmi Ansari: Ten, yes.

Ms. Sylvia Jones: And they're all full-time?

Mr. Helmi Ansari: They're all full-time.

Ms. Sylvia Jones: What kind of business are you in? You said retail and manufacturing?

Mr. Helmi Ansari: We design and manufacture coffee and tea accessories. We distribute them out of our warehouse in Cambridge, and we retail them out of our store in Guelph.

Ms. Sylvia Jones: When you say that your employees are ambassadors—which we would all love to have—how does that actually translate? What does that mean in terms of on the ground?

Mr. Helmi Ansari: They're ambassadors for the brand; they're ambassadors for who we stand for as a company. I have people come up to me and say, "You know, I met this such-and-such person, and I asked them about a living wage, in terms of they're one of your employees." They talk about the change that they saw in their lifestyle when they went from a minimum wage to a living wage. They become advocates of the company. That, in turn, creates engagement with our company as a brand, because people want to buy from companies and retailers that are good citizens in their local economies.

Our staff now can actually buy the products we sell. At a lot of the retailers that are employing people at minimum wage, their staff can't even buy the things that they sell. There are non-profit agencies, like food banks, as an example, whose staff and employees are having to take advantage of their food banks because even they are at the minimum wage, and they can't afford to put food on the table.

We think that our way of doing business has been good from a people perspective, but it's also strengthened us as a business.

Ms. Sylvia Jones: Thank you. Best of luck.

Mr. Helmi Ansari: Thank you for the question.

The Vice-Chair (Ms. Ann Hoggarth): The third party: MPP Sattler.

Ms. Peggy Sattler: Thank you so much, Mr. Ansari, for being here today and for sharing your experience, and for demonstrating the importance for business not just of a \$15 minimum wage but a living wage.

I had a question. Initially, it was pointed out that Living Wage Waterloo Region is a member of the chamber of commerce. Are you also a member of the chamber?

Mr. Helmi Ansari: Yes, we're members of the Cambridge Chamber of Commerce.

Ms. Peggy Sattler: Okay, great. What have been the kinds of conversations you've had with other members of the chamber of commerce when you share your experience and show the impact of a living wage?

Mr. Helmi Ansari: The first part is, I think people believe that when you pay a minimum wage, the staff can actually live on a minimum wage. I think clarifying that misunderstanding is the first part of that conversation, to help people understand what a living wage is as opposed to a minimum wage.

The second part is, there's a lot of fear around this: "When we start paying a living wage, we won't be able to survive, because our cost basis is going to go up."

Certainly, as a small business in a very competitive market environment, it is true that a rising cost basis initially does seem challenging, and it is challenging for business, especially those that are marginal, that are barely surviving.

But when I look at phase 2, the next stage of this, when we do get to an economy where people are able to buy things, I am really excited about this as a retailer, because a third of Ontarians are going to be able to afford the products that we're trying to sell—and maybe even more than a third, because of the cascading effect of the rising wages on the bottom end of the rung. I'm pretty excited as a retailer because I will see more consumers who are making this higher amount, and when they get their paycheque, they're going to come to my store and they're going to buy stuff.

0940

So is the transition going to be challenging, to get there? I do agree with them; there will be some challenges to get there. It's not as easy as pushing a button. But having said that, I think the reward is going to be tremendous, both from a "creating the right kind of society" perspective and also from the boost that I believe we will see in business, especially in local business.

Ms. Peggy Sattler: What kind of accommodations or adjustments did you have to make within your business when you decided to move to a living wage? How did you manage that transition?

Mr. Helmi Ansari: There was an increase in the wage, obviously, for the staff. We give five sick days to our employees, which we didn't before. So we've included that in our business. There has been a cost absorption that we've taken, as a business. We haven't raised prices as part of this. We've taken it as part of our margin. I've kept my personal salary down. I have not taken a raise in several years. So it has been an absorption, basically, in terms of our business.

Ms. Peggy Sattler: Of course, you've focused on the minimum wage piece of this legislation, but it also includes a number of measures to increase unionization in the province. I wonder if you have any comments on the measures that are included in Bill 148 to make it easier to unionize. Are they enough? Perhaps the other people who are here today would like to comment on that.

Mr. Helmi Ansari: I'm probably not the best-qualified to speak on that.

Ms. Peggy Sattler: Okay.

Mr. Greg deGroot-Maggetti: It's good that you bring up the different measures that are part of the bill. I don't know that we necessarily have specifics to say around the measures around unionization, but there's a whole lot in the bill that addresses issues in the living wage movement, like equal pay for equal work, for people who are hired part-time or temporary, and things like that. That whole combination of measures that help to create more decent work across the province are very positive steps forward to make sure that when people are working, they can actually make ends meet, participate in the economy. It's a boost to the whole economy.

So I would say, when you take that whole package of measures, including those measures around enabling people to form unions and bargain collectively to support their work, it makes sense in terms of boosting the floor for workers in Ontario, boosting the economy and creating more decent work, and eliminating the precarious work that has become so prevalent in the economy.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The government: MPP Colle.

Mr. Mike Colle: Thank you very much for your presentations.

One of the questions that you brought to mind, Mr. Ansari, is the turnover rate. The present situation is, when people are getting paid minimum wage, there seems to be quite a high turnover rate—because why should they stay and work at minimum wage when they might be able to make a few dollars more and go to another employer? Is there a cost to a small employer like yourself, in training etc., if you have this constant turnover of employees?

Mr. Helmi Ansari: It takes up to a year of a full business cycle for a staff member to understand the business and how it runs. The cost of churn is maybe over 40% to 50% of the cost of the wages, if you end up losing an employee within a year. So to pay somebody a couple of dollars more and retain them for longer and have them be engaged in the business is just a basic business benefit, in my opinion.

Mr. Greg deGroot-Maggetti: I work for Mennonite Central Committee Ontario. We are a living wage employer. I also serve as the chair of the Ontario Living Wage Network. Currently, across Ontario, we have more than 200 employers that have committed to implementing living wage. It's a whole variety, from retail to manufacturing to not-for-profit organizations; to the public sector employers, too.

Among the top reasons that employers give to us for why they've implemented living wage—which in most communities goes far beyond the \$15 minimum wage that is proposed in the legislation—is that very issue of turnover. Many organizations, whether they be not-for-profits or private businesses, see that they have a problem with turnover and recognize that compensation is a key part of fixing that problem. I think that the changes that are included in this legislation, of bringing the minimum wage up to a livable wage for people in many communities across Ontario, will help address that problem and actually be a real benefit to employers of all sorts.

Mr. Mike Colle: Have you ever run across any kind of data or analysis of the cost of turnover? I know we've heard a lot of people who oppose this legislation saying, "Well, there's going to be an increased cost in higher wages to employers." Have you run across any research that shows the cost of retraining and the constant consequence of turnover in the workplace?

Mr. Greg deGroot-Maggetti: As Helmi was referring to, our director of human resources at Mennonite Central Committee was sharing some information from human resource specialists that does indicate it costs

about 30% of a person's full-year salary every time you have to rehire and retrain. It can take anywhere from half a year to a year until that person is working at the level where their productivity is really paying for their salary.

Some of our living wage employers that implemented a living wage many years ago will say that they don't have to deal with constant turnover, because their employees stick around. One of our employers was saying that he knows other business owners who spend up to 30% of their time on hiring, and he just doesn't have to do that. Once people are in place, they're paid well, and there's a whole host of other employee benefits and training and stuff like that that, go along with being a living wage employer, that really reduces all those costs of constant hiring and rehiring and training folks.

Mr. Mike Colle: MPP Vernile wants to ask a question.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: Thank you, Chair.

Good morning, everyone. It's good to see you all here. I've had the opportunity to chat with a number of you in my constituency office about raising the minimum wage, and I'm glad to see that you are here as delegates today.

Helmi, I have a question for you. You're in a very interesting position as a small business owner: You are paying a living wage and have done so for years. There are small business employers who are concerned about how this is going to impact them. What words of wisdom would you give?

Mr. Helmi Ansari: As a small business, Daiene, one of the things that we felt was that we could not afford to pay our people a minimum wage, because we are competing with very large businesses that are well established and have huge economic bases. They can afford the turnover. We, as a small business, cannot afford turnover. We cannot afford not to have engaged employees. We must have engaged employees who care about the business and, in turn, care about the customers, to create business success and growth.

For us, paying a living wage was not just the right thing to do; it was the essential thing to do and the smart thing to do, to retain our staff and create business—

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation.

Ms. Daiene Vernile: Thank you very much.

The Vice-Chair (Ms. Ann Hoggarth): Just a reminder: The deadline to send in a written submission to the Clerk is 5:30 p.m. on Friday, July 21. Thank you.

Mr. Helmi Ansari: Thank you.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Vice-Chair (Ms. Ann Hoggarth): The next presenter will be the Greater Kitchener Waterloo Chamber of Commerce.

Good morning, sir. If you would identify yourself for the record, and you can begin your five-minute presentation.

Mr. Art Sinclair: Thank you very much, Chair. For the record, my name is Art Sinclair, and I am vice-president of the Greater Kitchener Waterloo Chamber of Commerce. First and foremost, I'd like to thank the committee for including the greater Kitchener-Waterloo region on your list of locations for hearings.

We are a very progressive economy here, I think, as you're all aware. Our focus is on innovation. We want to be ahead of the curve in terms of everything we do.

One of the key things I'd like to mention—I've included this in my brief. I'm not going to read the brief; I'm just going to summarize what I can in the five minutes I'm allotted.

About 10 years ago, our organization collaborated with a number of our community partners on an important initiative called the Waterloo Region Immigrant Employment Network, which was a community-service-based organization that assisted immigrants with integrating into our workforces here in Waterloo region. I think that shows a commitment to innovation and to doing things differently in terms of employment law, and the value that we place on diversity in our workplaces.

That's really, I think, an important starting point for this discussion. We, as a community, are very interested in doing things differently, to the benefit of our community.

There are really two issues, I think, that we're all aware of. This is included in the brief. The first issue I feel is important to address is the increases in the minimum wage. I think you've heard this from other individual businesses and business organizations across the province in your hearings to this point in time.

0950

I think the biggest concern is the implementation schedule: going to \$14 an hour on January 1, 2018, and then the subsequent increase to \$15 an hour by January 1, 2019. There is a serious concern about that implementation schedule. I think the most common phrase—and I think you've all heard this before—is, "Revenues for most small businesses and small employers, and large employers too, in the province of Ontario are not increasing at a similar rate." I think that is the dichotomy, and the challenge is being able to absorb those increases in salary at a time when revenues, for a lot of small businesses and small employers, are not increasing at a similar level.

I've also included, I think, a fairly brief discussion about the other provisions that are included in Bill 148. Those, of course, relate to the Ontario Labour Relations Act.

Our focus is—and I think that this has been widely discussed; Ms. Vernile can confirm that—that we have approximately 2,500 to 3,000 positions that are open here in Waterloo region in the information technology sector. I think, within the framework, we have to look at, "Okay, are these changes being proposed here and is this discussion addressing our issues here in Waterloo region with respect to recruiting talent from across the globe?"

This is a constant challenge. Again, this goes back to our initiative with the Waterloo Region Immigrant Em-

ployment Network. That was set up to assist our employers in not only recruiting talent from across the globe, but to have them settle into the community. I think that, first and foremost, we have to look at this from the perspective of, are we addressing the concerns of our employers locally here in Waterloo region with respect to this legislative regime?

I haven't heard a lot of support from our employment community. They say, "Our key thing is what we've been saying for the last 10 or 15 years: We have to focus on training; we have to focus on skills development; and we have to focus on developing the skills that our employers want for a 21st-century economy."

Again, I think a lot of organizations have made the point, "Well, do we need an economic impact study?" Sure we do. And I think one of the things that we have to look at is, how do the changes that we're proposing here in Bill 148 fit into—and I think the government has recognized this as well. Everyone around the table says, "We have to do more in terms of training and preparing workers and students to work in the 21st-century global economy." Where does that fit in with the changes that are being proposed in this legislation?

A couple of things have been pointed out. The Canadian Manufacturers and Exporters, who I believe are going to be making a presentation later in the week, released a report recently that expressed concerns about the business climate not only here in Ontario, but across Canada. There are significant concerns. We're looking at issues like regulatory reform, environment and taxation. Of course, labour law fits into there. I believe there was one statistic in a report from the Canadian Manufacturers and Exporters that says that the cost of labour is among their top concerns. It's a chronic concern. A chronic concern for the manufacturing sector across Canada is labour.

They will be addressing this further, but this is one of the points that we have to consider. Are the changes to the Ontario Labour Relations Act—

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir. This round of questioning will open with the third party, MPP Sattler.

Ms. Peggy Sattler: Yes, thank you very much for attending this meeting today and for making this presentation on behalf of your members.

There has been some data released about the kinds of firms that pay minimum wage. Do you have a sense of, within the businesses that you represent through the chamber of commerce, how many firms are paying minimum wage to their employers?

Mr. Art Sinclair: The exact number, no, but I think what we have established is that it's primarily small businesses, and then I pointed out in the report that 97% of all employers in Canada—and I think it would be a similar number across Ontario—are small employers, one to 99 employees. Again, I think generally it's understood that this affects small businesses disproportionately.

But the other issue is that there are sectors—there's hospitality, tourism, food services. I think the impact on those sectors will be the greatest.

Ms. Peggy Sattler: Okay. Can you describe some of the other pressures that have an impact on small business? We understand that there are concerns about labour costs, and you mentioned manufacturing and some of the challenges they face. But within the small business community, what are some of the other specific pressure points that government could play a role in helping to address?

Mr. Art Sinclair: Hydro, hydro and hydro right now.

Ms. Peggy Sattler: Hydro, hydro and hydro. Okay.

Mr. Art Sinclair: I think the point has also been made, and I think this is valid as well, that there seems to be pressure on people who are paying above the minimum wage. If you have minimum wage earners and above-minimum wage earners, we've heard that the pressure is on the employer to increase people on above-minimum wages, which adds to the mandatory costs of increasing the minimum wage, while there are also the additional costs and additional pressure for the entire organization. So that's the concern that has been expressed by a lot of small businesses.

But there are other issues—it's just the regulatory regime, depending on what portfolio some people are in. The foodservice industry: It's always a concern with respect to meeting government regulations—not just provincial government regulations, but a lot of their responsibilities and their reporting is to municipal government. So the regulatory regime is a constant concern, as well, for most small businesses.

Ms. Peggy Sattler: Is turnover an issue that small businesses have brought to your attention as something that is a challenge for them to have to manage?

Mr. Art Sinclair: I haven't heard a lot about turnover. Of course, a lot of employers here employ a lot of students, so they don't stay very long. They graduate and move on.

But, generally, no, I have not heard a lot of our members saying that there's a major concern with turnover of employees.

Ms. Peggy Sattler: Previously, when there were scheduled increases in minimum wage, did you hear from the businesses that you represent about what kinds of things they did to manage the transition?

Mr. Art Sinclair: Generally, I think a lot of businesses supported the program that was in place, where there was an adjustment made on the cost of living index, which I believe was put in place about four years ago. There was a formula that was put in place by the Ministry of Labour that would measure all these variables, and when appropriate, the minimum wage would increase. Generally, from our membership's perspective, they thought that program was okay.

Again, they're quite surprised and challenged now by the increase that's being proposed at this point in time, that they're going to have to pay an additional \$2.60 in six months. That's a big concern for them.

The Vice-Chair (Ms. Ann Hoggarth): The government: MPP Colle.

Mr. Mike Colle: Thank you, Mr. Sinclair, for the very thoughtful and wide-ranging presentation.

I just find one of the paragraphs in your presentation quite astounding. On page 5, you quote from a Financial Post article of September 27. You quote Howard Levitt, a labour lawyer, who said that if adopted, the proposals contained in the recently released interim report to amend the Labour Relations Act and Employment Standards Act would make the province the most radical left-wing environment for businesses in the western world, and would go a long way toward ensuring that no foreign business would ever again invest in it. Do you agree with this?

Mr. Art Sinclair: That's extreme—but if you listen to CFRB, he has his own show.

I think more relevant is the report from the Canadian Manufacturers and Exporters, when they surveyed their membership and said, "We have a concern, not just with the province of Ontario, but the federal government as well, and the environments being created for business."

That is extreme; you're right.

Mr. Mike Colle: I thank you for the fact that you've raised some very relevant questions. That's why I think your statement saying that you're glad we came here to listen to the people of Kitchener-Waterloo—and that's why we're here: to get that kind of input from people like you and the businesses you represent across this very vibrant region.

What's the unemployment rate in this region?

Mr. Art Sinclair: We're generally lower than the national provincial average, so we're usually between 5% and 6%.

Look, we've had our challenges over the years. We were second in Canada, after Windsor, in about 2009 and 2010, when we went through some pretty significant transitions in the manufacturing sector. We've had our challenges, just like everybody else in southwestern Ontario, but I think what we can do is we can bounce back.

Mr. Mike Colle: And you have bounced back.

Mr. Art Sinclair: We have bounced back.

Mr. Mike Colle: In terms of, again, what the Canadian manufacturers' association is warning about, my understanding is that Ontario is leading all North American jurisdictions as the number one venue for foreign direct investment; in other words, money coming from abroad to invest in Ontario. More foreign investment is coming to Ontario than any other jurisdiction in North America. How does that jive with the Canadian manufacturers' association that's so worried people aren't going to invest in Ontario because of all the regulation, because of the environmental protections?

1000

Isn't there a bit of a contradiction here? Money talks; they're bringing their money here.

Mr. Art Sinclair: I think a lot of it is concern from the competition in the United States.

One interesting thing that I found in the research was—and obviously, the Ontario government is moving to address this with the appointment of Mr. O'Dette. What a lot of businesses are saying is, how come there are concierge services in a lot of American states, which

we should have here? As I said before, you're moving in that direction.

Another thing is that there's a concern that generally, Canadian governments aren't as aggressive as the US is, because a lot of businesses say they get phone calls from people in North Carolina, South Carolina, from senior government officials—

Mr. Mike Colle: So we should be aggressive like Mr. Trump in terms of attracting business? Is that what you're saying?

Mr. Art Sinclair: Maybe that's a bad analogy, too, like Mr. Levitt's quote from the Financial Post. But no, that's a legitimate concern. We have to be able to sell this province. Do we have a lot to sell the world? Oh, yes, we do. But I think that's a legitimate concern. We've heard that from a lot of our businesses, too. As a province, as a country, as a community, we have to sell ourselves better.

Mr. Mike Colle: But haven't we always heard that we've got to be more like the Americans in business? We have always heard this—in business.

Mr. Art Sinclair: That's debatable, but I think we are more and more. We're identifying the Waterloo region brand, which I think is different.

Mr. Mike Colle: Yes. It's a pretty darned good brand.

Mr. Art Sinclair: It is, yes.

Mr. Mike Colle: Talking about Waterloo, we've got the member here wanting to say something.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: Thank you for being here this morning, Art. To my committee members and to everyone sitting in the public gallery, I just want to state that you and the entire team at the KW chamber of commerce do an excellent job of advocating on behalf of businesses.

I want to refer back to something that Mr. Helmi Ansari said just before you. He's a small business owner. He has been paying a living wage for a while and has said that it's not harmful to him. How do you reflect on that?

Mr. Art Sinclair: Well, I think a lot of our members would like to pay higher wages, but just because of circumstances, they can't.

One of the constant challenges for us, for a lot of our members with regard to their sector, is the push between, "Okay, do I invest in people or do I invest in technology?"

Ms. Daiene Vernile: But he's managed to make it work.

Mr. Art Sinclair: Yes, he's managed to make it work. That's an option that's available for some people. As I said before, a lot of people would love to be making more money so they could pay their employees additional wages.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. To the official opposition: MPP Harris.

Mr. Michael Harris: Good morning, Art, and thanks for being here. Of course, we're in a unique economy. We have a great brand here in Kitchener-Waterloo. Of course, everyone thinks of KW and Waterloo region as a

high-tech community, but we're also known, as you mentioned, for our long-time manufacturing base here. Unfortunately, though, we've lost about 300,000 good manufacturing jobs. I could list the companies locally, like Budd Automotive, Lear, MTD, Uniroyal, Goodrich etc.

In your notes, you did touch upon some of the changes to the Ontario Labour Relations Act. I know I've talked to local employers, especially in the manufacturing sector here in our region, that still employ and pay extremely well. What are they specifically saying to you in terms of the changes to the Ontario Labour Relations Act that could put them at a competitive disadvantage?

Mr. Art Sinclair: The 20% contact information: If you have 20% of support of potential union members, then the company is required to turn over the contact information. I think it is a concern, number one, from the company's perspective, and also—I pointed this out—there's a concern in the legal community with respect to privacy and the disclosure of that information.

Food and Beverage Ontario, a major organization that will be presenting as well—and they will probably discuss this further—have talked about the changes to the authority of the Ontario Labour Relations Board and changes to the collective bargaining units. Their concern is—because a lot of Food and Beverage Ontario members are in rural areas, where they can make adjustments based on the prevailing circumstances of rural facilities as opposed to urban. That could be lost as well, so they've expressed that concern.

Those are two, but it just goes back to, what's the cumulative cost of doing business in the province of Ontario and how does that place us against a lot of our competitors, first and foremost, in the American Midwest and the American south? That's the prime concern.

Mr. Michael Harris: We've got current employers having concerns, but you mentioned Allan O'Dette and the new role he has provincially trying to attract new investment, especially those well-paying jobs like manufacturing. We've got a lot of IT jobs that need to be filled, of course, locally, but we know we're still in the heartland of manufacturing.

Are you hearing from folks in other jurisdictions, neighbours to the south, in terms of some of the rules coming in in Bill 148 that would make their jurisdiction more attractive for businesses to depart Ontario? Have there been any discussions provincially on that?

Mr. Art Sinclair: No. I think it has just been primarily, at this point in time—again, we've only had the bill for a couple of months to review. Of course, there was a process prior to that, and I think at the Ontario Chamber of Commerce we've had discussions for the last couple of years internally. Of course, a lot of manufacturers here are subsidiaries of American parents. I think, internally, the people who manage companies here in Ontario look at what is required of them versus their own company's subsidiaries in American states. They have to compile, "Okay, here's what we do in Ontario; here's what we do in Ohio; here's what we do in Michigan." The people in the head offices make decisions according to those bases.

Mr. Michael Harris: Are you familiar with that new change, the 20% rule? Is it in place in other jurisdictions like Michigan, Ohio—

Mr. Art Sinclair: I'm not aware, no. I keep hearing that this is somewhat extreme. It's a requirement that's generally not required in most American states.

Mr. Michael Harris: Any specific, tangible recommendations for the committee? Members have expressed—obviously, the minimum wage increase and the pace at which it is being implemented. Are there suggestions coming out of the chamber as to perhaps a more planned, progressive implementation?

Mr. Art Sinclair: In terms of the Ontario Labour Relations Act, I don't think there's a big desire to make any changes. As I said before, our priority is getting people who have the skills to fill the jobs that employers have. Within that framework, with changes to the Ontario Labour Relations Act and assisting the employers in Ontario in recruiting the talent that they need—I haven't heard a lot of support for that.

Mr. Michael Harris: What about the minimum wage increase? Again, with the rapid pace at which it's being implemented, with little to no notice, frankly, is there a plan or a recommendation—the member asked about costs on turnover, yet we've really done no economic analysis on what this will mean to our province—

The Vice-Chair (Ms. Ann Hoggarth): Thank you.

Mr. Michael Harris: I just thought I'd leave it with you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your submission. If you have a further written submission, it needs to be to the Clerk by 5:30 on Friday, July 21. Thank you, sir.

Mr. Art Sinclair: Thank you.

CAMBRIDGE CHAMBER OF COMMERCE

The Vice-Chair (Ms. Ann Hoggarth): The next presenter will be the Cambridge Chamber of Commerce. Do you have a submission for us?

Mr. Darren Drouillard: Yes.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. If you could state your name for the record, then we will proceed with your five minutes.

Mr. Darren Drouillard: My name is Darren Drouillard. I'm representing the Cambridge Chamber of Commerce.

The Vice-Chair (Ms. Ann Hoggarth): Go ahead.

Mr. Darren Drouillard: Good morning, committee members. Thank you for allowing the Cambridge chamber to be here today. I'm here representing our board of directors and to speak on behalf of our 1,800-plus members who find the government's expectations on what business can afford in the current environment unreasonable, unmanageable and unfair.

Most medium and large businesses with over 100 employees have few, if any, employees earning below \$15 an hour. The hit would be minimal and would likely be mitigated mostly by a slight reduction in hours worked

and offered to those earning less than \$15 an hour. While the media concentrates on the \$15 an hour, and advocates of this bill concentrate on this, this is only the tip of the iceberg that will cause irreversible damage to Ontario's economy.

The more dramatic impact is the other 173 changes to the workplace environment outside of the minimum wage increase. Large employers, Canada's biggest employers, will deal with these impacts very differently than small and medium-sized businesses. They will simply re-tender the product supply or service and find other suppliers able or willing to reduce the costs. Thanks to cap-and-trade, increases in employer-paid benefits, ridiculous hydro rates and potential tax incentives south of the border, there's high risk that these new suppliers will be located outside of Ontario, taking the jobs with them, whether to the US or overseas. This will have a dramatic impact on the supply chain in Ontario. How is this at all helping Ontario's competitiveness in a global environment more aggressive than ever before?

1010

Certainly, large manufacturers want suppliers to be as close as possible. It lessens logistics costs and is more practical for just-in-time manufacturing. But size does matter when it comes to overall cost. It is obvious to business that Ontario finds us to be a serious problem. In the last number of years, there has seemed to be an attack on business. There's some notion that business has resources hiding and can simply absorb overruns in costs.

Let's look at the impact of a few items on big businesses, such as the personal emergency leave making it mandatory for 10 eligible days off, two of which must be paid, and the employer is no longer able to request medical verification. The costs to large employers would vary from \$1.25 million per year with 1,000 employees to \$11 million per year with 9,000 employees. This is an enormous change in employers' payroll costs, which will certainly drive changes in employment, benefits and other perks and incentives now enjoyed. Our suggestion would be to leave this unchanged and accept the recommendation from the Changing Workplaces Review task force, which said that if an employer requires medical evidence, the employer should therefore pay for it.

Scheduling is also a strong concern—requiring 96 hours' notice for scheduling changes and 48 hours' notice to cancel a shift or pay three hours. On the average, you will be asking large Ontario employers to absorb another \$600,000 a year in payroll costs. This part of the bill has an even bigger potential problem for weather-dependent industries, as it is impossible to accurately forecast the weather 48 hours in advance. This will cost the construction industry millions and will cripple small and medium seasonal businesses, such as landscaping and snow removal companies already operating on paper-thin margins. We don't believe the government understands the magnitude of the challenges thousands of small, medium and large businesses will face with just this piece of the puzzle. Manufacturers have an obvious problem with this as well, as they cannot forecast or plan

for supplier delays and equipment failures. Flexibility is a key competitiveness issue, and these scheduling implications will further regress our productivity and, as such, any competitive advantage we have. This is an impossible regulation for many businesses in the communities across Ontario which are involved in manufacturing and weather-dependent industries. We suggest that these categories be exempt. In fact, we believe this is a collective agreement issue and should be allowed to reside only in that space.

We fail to understand why and for what purpose governments want to deepen the ability for unions to expand and grow. Governments should want businesses to do that. This shouldn't be a battle that one lobby group gets to win over another. It is quite evident who is really steering the ship when it comes to these monumental, unfair changes to the Labour Relations Act. We have a process for unionization, and it has worked and hasn't seemed to create problems for people, who are the important group here. Gone are the days of child labour and poor working conditions, as regulations have taken care of most of that. Most non-union shops pay as well or better than union shops, as they must remain competitive for job seekers. There is simply no need to reduce the mandatory vote requirement from 40% to 20%. Let's ensure that fair workplaces consider employers as well. There's nothing in this bill that actually speaks to fairness for employers. This simply needs to be left as is and eliminated from Bill 148.

Another major concern is why the provision for off-site union voting, and extending it to online as well as phone-in voting, is being recommended. Most government jurisdictions were afraid of hacking when it came to voting, raising security concerns. Yet, it's good enough for union voting, when it can change the entire direction of an Ontario employer. When an employee works at said company, why would they want to—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll open this round with the government. MPP Colle.

Mr. Mike Colle: Thank you for bringing forth your concerns. We've taken the unusual step of having these public hearings on first reading. Usually, these are done after second reading. That's why I think it's a very good opportunity to bring those concerns that affect employers, large and small. I think the whole committee and the ministry will take these into account as we go forward, because they are serious concerns; there's no doubt about it. Change sometimes has some challenges, and I don't think any of us on this committee underestimate that.

On the other hand, we just ask that you look at the other side of the story, and that is that there has been a dramatic change in the workplace in Ontario—you'll agree—in the last 20 or 30 years. We no longer find people who have the job for a lifetime, pension plans or guaranteed vacations. More and more of the workforce is made up of people who are in precarious work, people who work temporary, contract, part-time.

The Labour Relations Act has to be updated to reflect the new economic reality of the labour force. It's not

yesterday's workforce anymore, and so that's what the attempt is here to do—to try to see if there are ways of getting workers better protections. On the other hand, if workers are better protected, they're healthier and they have a better quality of life, and they're going to be more productive members of the workforce that you employ. Is that not the case?

Mr. Darren Drouillard: I respect those comments. But I think what is failing to be understood here is, yes, it may protect those employees, but what happens when businesses start to close or start to lay off the workers that this bill is designed to help, as we have had many of our members already come forward to say?

An example I will use is that we have an employer that employs, I think, over 400 underskilled and under-educated employees. They are also weather-dependent. So with some of these changes, it will cost him over \$200,000 a year per location, of which he has several. His comments were that he doesn't make \$200,000 a year per location, so with these changes he will be forced to close each and every location, therefore putting over 460 people out of work and into unemployment, which does not correlate with what this bill is meant to do.

Mr. Mike Colle: But that is exactly why we're having these hearings. If there are weather-dependent situations which are unique situations that are brought forward, it is something that can be examined, to see if there are ways of ensuring that this type of dramatic consequence doesn't happen. I'm sort of disappointed in the presentation because you make it sound as if, if this legislation goes through, there's going to be massive layoffs and economic collapse.

I'm saying: Are there no benefits to the fact that you've got people who are making more money—I'm talking about maybe from \$11, \$12 to \$15. They're going to spend the money. They're going to grow the economy. They're going to buy the manufactured goods. Isn't the beauty of the minimum wage increase that it's money that's going to be spent locally? These aren't people who are going to go on trips abroad. They're not people who are going to buy offshore properties. They're going to spend that extra two, three bucks an hour on goods and services in the KW area. Have you analyzed any of the benefits of that in your analysis?

Mr. Darren Drouillard: Unfortunately, I wasn't able to get to some of those comments, but my initial statement was that the \$15 an hour is not our major concern. We respect the \$15 an hour and we understand that minimum wage does need to come up.

However, our concern is the speed in which it's designed to come up and the other 172 parts of this legislation that are going to come forward that will have a massive effect: the change in union representation, the change in weather-dependent, the change in scheduling, the mandatory sick leave without asking for any kind of medical verification. These will cause massive, massive increases in labour costs, and employers will be forced to make changes, whether it's to employee incentives such as the pensions that you mentioned, or whether it's just to

reduce labour hours from a workweek of 35 hours a week to 30 hours a week. So as those wages may increase, if their hours decrease, it really offsets that increase there and reduces their income level.

Mr. Mike Colle: But again—sorry, I'll leave it to go to the member. Go ahead.

The Vice-Chair (Ms. Ann Hoggarth): We're out of time. Thank you.

Interjection: Ten seconds?

The Vice-Chair (Ms. Ann Hoggarth): No. I move to the official opposition.

Mr. Michael Harris: Yes, thank you. You were right in the middle of talking about off-site voting. I don't know if you want to perhaps just finish your thoughts on that?

Mr. Darren Drouillard: Certainly. Our concerns with off-site voting are essentially that the off-site voting really only is a benefit to those who are in favour of the union. If you take a look at the off-site voting, it is our opinion and our members' opinion that the only ones who are going to be willing to travel to that off-site location are the ones who are actually interested in the union. Those who have no interest or concern are not going to make that extra effort. We feel that this gives the unions an unfair advantage.

Ontario currently has a very high rate of participation when it comes to the union environment. We have one example in our locale where 90% of employees participated and the union did not pass. So is this legislation just essentially to help to get an extra few votes for the unions? That's our question.

1020

Mr. Michael Harris: Obviously, the Changing Workplaces Review was a significant process—years, actually, in travelling the province by the two individuals—which culminated with its report, and then now we've got our bill.

There are several items within the Changing Workplaces Review, recommendations that were made. You alluded to one, that in fact the government took the opposite to—and including, in fact, the minimum wage increase was beyond the scope of the review initially, and that a lot of participants didn't bother to submit to that because it was beyond the review.

Why do you think the government included some of these measures and then ignored the advice of the actual commission in this particular bill—especially the minimum wage increase?

Mr. Darren Drouillard: To be honest, I think there are so many things added to this in order to kind of hide some of the other ones that are being attempted to be pushed through. Really, at the end of the day, the only one that is being discussed in the media and the one that is really being pushed is the \$15 an hour. As mentioned, that's not the major concern of the majority of our members and the majority of our business owners. The majority of the concerns come from the other over 170 parts of this legislation.

Mr. Michael Harris: I know you missed a couple of pages of your presentation. Was there anything else that

you wanted to get out from within this presentation before the committee today, publicly?

Mr. Darren Drouillard: Certainly. The main thing is that we really have no idea whether the hypothetical theory of increasing minimum wage, paying for more sick days, reducing the union carding rate to 20% from 40% or implementing the other 169 changes to the ESA and LRA will benefit or worsen the economy because you, the politicians, have not had the opportunity to review any independent data supporting or rejecting the bill.

In closing, we're asking the committee to be responsible to a very important constituency of the province and recommend that prior to adopting Bill 148, the province undertake a full and comprehensive independent economic review demonstrating clearly the benefits and the fallout, both short and long term, so that you can make the responsible decision.

Mr. Michael Harris: Is there anything else you'd like to add?

Mr. Darren Drouillard: Just that I thank you for the time and for allowing the chamber to speak today.

Mr. Michael Harris: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): We'll now move to the third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much for attending here today and speaking on behalf of your 1,800 members in the Cambridge Chamber of Commerce.

I wanted to focus on your concerns about the personal emergency leave. The numbers that you have presented in your paper make it sound like there are no employees who are currently taking time for sickness. Do you have a sense from your members as to what kinds of sick leave policies are already in place? Are people taking inordinate amounts of time to deal with sickness or—

Mr. Darren Drouillard: No, I think the concern here is that people are taking sick leave currently when they're sick or when those sick days are needed because there's a level of responsibility put back on them, where the employer is required to pay for those medical notices, but they're still required to provide some sort of evidence; whereas if there is no responsibility put on them to show why those sick days are required, those sick days may be abused and turned into more vacation days rather than sick days. That's the main concern. If we look at how many sick days are being used right now and then maxing it out to the highest level of sick days, that's where these numbers come into play and that's where these high costs come into play as well.

Ms. Peggy Sattler: Do your employers report widespread abuses of personal emergency leave days that are already available and sick days that are already available to employees?

Mr. Darren Drouillard: Personally, I have not heard anything, so I can't really comment on that. Our CEO and president of the chamber would deal more face to face with those topics. We haven't received any reports of abuse of these policies, but there is concern that with that responsibility removed, the abuse may occur.

Ms. Peggy Sattler: If employers basically have some confidence in the integrity of their employees to not abuse the system and to take the time that they need to deal with personal issues or illness, it seems hard to believe that all of a sudden this legislation would open up the door to this mass abuse of the—

Mr. Darren Drouillard: As employers, when you're doing your budgeting and your forecasting, you have to look at worst-case scenarios, because if you don't look at those scenarios and they occur, that's when you can end up in severe financial difficulty. That's when the layoffs and the more drastic measures must occur. If you don't look at these things ahead of time and plan for the pessimistic and worst-case scenarios, that's when you can find yourself in a lot of trouble and have to resort to more dire measures to recover from these scenarios.

Ms. Peggy Sattler: Have any employers ever experienced situations where an employee has come in sick because they have been unable to access leave and then has passed along infections to other co-workers?

Mr. Darren Drouillard: I'm sure these scenarios have occurred. I'm sure we can look at any extreme and say that it has occurred in one instance or another. But I think we have to look at the majority, and I think the majority of our business owners, whether it's based out of fact or fear, are concerned that this piece of legislation can and will be abused.

Ms. Peggy Sattler: The previous chamber talked about some of the other pressures that businesses are having to deal with in addition to wage costs and competitiveness concerns. The previous presenter mentioned hydro. Is that a big concern of your members as well?

Mr. Darren Drouillard: That's a massive, massive concern of our members. Hydro and cap-and-trade have all been very detrimental to a lot of businesses and have been very difficult to overcome for some of them.

Ms. Peggy Sattler: Do they have confidence that the measures that have been put in place are going to do anything to—

Mr. Darren Drouillard: Little to none.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5:30 on Friday, July 21. Thank you, sir.

Mr. Darren Drouillard: Thank you all.

PARKDALE COMMUNITY LEGAL SERVICES

The Vice-Chair (Ms. Ann Hoggarth): The next presenter is Parkdale Community Legal Services. Do you have a written submission?

Ms. Mary Gellatly: I do.

The Vice-Chair (Ms. Ann Hoggarth): Please state your name for the official record, and then your five minutes will begin.

Ms. Mary Gellatly: My name is Mary Gellatly. I'm with Parkdale Community Legal Services. We're a poverty law clinic that provides support and representation

for people in low-wage and precarious work. We work directly with the Employment Standards Act in representing folks.

Thank you for the opportunity to speak on Bill 148. We believe the bill makes a number of really important strides for precarious workers—especially the \$15 minimum wage, scheduling, equal pay, paid emergency leave days, steps to make it easier to form and keep a union. We need to strengthen some areas of the bill, however, to ensure that it meets the goal of better protecting people made vulnerable by changing workplaces.

Our submission with the Workers' Action Centre and the \$15 and Fairness campaign is being passed around. It has a summary and then quite comprehensive clause-by-clause recommendations.

I'm going to speak to two issues that I would like to draw the committee's attention to: dependent contractors and equal pay.

First, Bill 148 is right to prohibit misclassification—it makes misclassification a violation under the act—but Bill 148 does not solve the problem of those workers who are not independent contractors, who are excluded from the ESA, but who are dependent contractors. Dependent contractors, in our experience, can be pizza delivery workers, couriers, that kind of thing. The Changing Workplaces Review recommended that the definition of employee be modernized, to address increasing problems with precarious work, by including dependent contractors, and we would agree. Without a clear definition of dependent contractors in the definition of employee, a business can change some practices to move its employees closer to dependent-contractor status. For example, instead of paying a cleaner on an hourly basis, the cleaner would be paid on a set job basis, or a courier would be required to use their own car and get paid by the delivery rather than by hours worked.

1030

Not only does this allow businesses to avoid complying with the ESA, but it lets them shift some of the risks and costs of doing business onto employees. Further, this loophole creates more precarious work, as we see in some of the emerging kinds of platform work, where people are being paid by assignment and not by hours.

Also, under common law and the Labour Relations Act—dependent contractors are included in those regimes.

So we've got this weird, huge inequality happening where you can have a dependent contractor who, if they are unionized, gets all the protections under the ESA, or a dependent contractor who has money and who could go to small claims court and access their employee protection rights; but if you're neither of those, you can't be protected under the ESA right now, because the current Ministry of Labour policy is not to include dependent contractors.

Therefore, we recommend an amendment to the ESA to expand the definition of employee to include dependent contractors.

Secondly, on the issue of equal pay, we of course support bringing equality in pay to temp agency workers

and to part-time, contract and seasonal workers. Such a move will particularly benefit women, migrant workers, young workers and recent immigrant workers. But amendments are essential to make equal pay a reality for those in precarious work. We know this because we have got years and years of experience trying to enforce equal pay for equal work on the basis of sex, to protect women from discrimination in pay. That provision has been shown to be largely ineffective for women.

Under the existing proposed language, equal pay is required when work is "substantially the same." Employers have been able, over the years, to manipulate job duties to evade equal pay requirements for women. The language on the comparative position for equal pay needs to be broadened to "similar work." As well, a new provision should be added to emphasize that minor differences in duties will not prevent work from being considered similar.

In addition, the existing equal pay proposed amendments provide exceptions to the right to equal pay for equal work. In a sense, you could drive a Mack truck through it—

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation. We'll open questions with the official opposition. MPP Barrett.

Mr. Toby Barrett: Just off the top, we just heard a couple of presentations here in Kitchener and Waterloo with some concerns about some of the issues in this legislation. Do you have any comments on that? I don't know whether you were following some of the testimony to date.

Ms. Mary Gellatly: Yes. On the issue of minimum wage, I keep hearing business saying that it's a small business issue. In fact, it's not a small business issue. Of the people who are going to benefit from the \$15 minimum wage, only 17% of them work for small business. Small business is already paying a lot above the minimum wage. This is from a recent study that just came out last week. In fact, the study that came out last week shows that 70% of minimum wage workers in the retail, food and accommodation sector—which we just heard is going to be hit hard—70% of minimum wage earners work in companies of 100 or more. I know it's compelling to bring up small business and, the mom-and-pops, but, when you actually look at where the minimum wage is being paid, it's in larger shops. Where the raise to the \$15 minimum wage is going to benefit—it's going to benefit women, it's going to benefit youth and it's going to benefit people with disabilities, and racialized people. It's not just the young, unskilled—actually, the majority of people who are going to benefit are over 20 years old. So I do take exception to a lot of what has been said about the minimum wage.

I also just heard the concerns about PEL, the personal emergency leave. Over 50% of employers are already providing some form of paid leave. This is not an additional leave; they merely have to bring their paid leave into compliance with the provisions of the personal emergency leave. Again, for most employers, that's not really going to be an issue, as well.

Mr. Toby Barrett: I hear what you're saying, that much of this battle does seem to be amongst the large employers and the large unions. I represent an area south of here, farm country and tourist country. At this time of year, in the middle of July, much of our economy is run by young people, by students. They work on minimum wage. They are, by and large, living at home. By the end of the summer, maybe they've got \$8,000 that helps them when they go back to school.

I represent Haldimand-Norfolk. One county in my riding—as we speak, we're in harvest and we have well over 7,000 seasonal workers working at minimum wage or just above. In contrast to what you're saying—and we hear the arguments from the big unions and the big companies. But as far as the tourism industry, hospitality, the restaurant trade and the farm economy, this will have a very significant impact. That's the collateral damage in this battle.

Ms. Mary Gellatly: Again, when you look at those sectors, they do tend to be larger. We've heard from small business employers. It's about building a business model that is about decency and fairness.

Frankly, on migrant workers, we also represent a number of migrant workers who come in through the Seasonal Agricultural Worker Program and the Temporary Foreign Worker Program. The working conditions that take place on the farms to bring food to Ontario tables—there are massive exemptions, so they basically are getting sub-minimal wages because of the abuse of the piece rate special rules provision. Housing accommodations are awful. They're exempted from hours of work, so they don't get basic breaks and they don't get overtime, and they're working at minimum wage.

Building a food economy in this province based on poverty wages for workers who can't move from job to job when they face abuse—that is not the kind of Ontario that we want to be building.

The Vice-Chair (Ms. Ann Hoggarth): Thank you.

Mr. Toby Barrett: I'll just mention that I've done that work for many years. You're not correct.

The Vice-Chair (Ms. Ann Hoggarth): We'll now move to the third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much for taking the time to come today and for the substantive work that you did on this brief. You had only five minutes, so you chose only two issues to focus on. You were in the middle of talking about why you could drive a truck through the equal pay for equal work provisions of the bill. Do you want to finish that thought?

Ms. Mary Gellatly: Sure, that would be great. The intent of the equal pay is, I think, really something where we have to work to make sure we don't fall into the same problems that we've had in the past with the equal pay for women. In fact, that's why the Pay Equity Act was brought into place—because of the gaps in the equal pay.

The problem with the exceptions is that it provides exceptions to providing equal pay for any other factor. So, in fact, employers just have to find another factor or reason why they pay differently to avoid compliance with

the intent of the act. When I looked back, I looked at the stats from 2008 to 2015: 100 claims were filed on equal pay on the basis of gender, and only 22 of those succeeded. That's because, again, employers can just say that they're not comparable jobs or that they are paid differently because of this other factor, not sex.

We've got detailed recommendations about how to amend the language so that we can have better tools to really meet the purpose, which is to provide for equal pay for equal work and to take away that cost incentive to drive down work into more and more precarious work.

1040

Ms. Peggy Sattler: The other point that you focused on was around the exclusion of some dependent contractors from the Employment Standards Act. Are there other groups that have been excluded from the Employment Standards Act that you are also concerned about? Are there any other exemptions that continue to exist that you think are problematic?

Ms. Mary Gellatly: We have been calling to get rid of all of the exemptions because, put together, exemptions are about lowering the floor of minimum standards. Cumulatively—there was some research that I was involved in—the projected cost of that to work is \$2 billion a year, that we are losing from our economy because of employer exemptions to certain rules. I think that is a huge area we have to look at. The government has promised to do a review, and you can bet that migrant workers, farm workers, IT workers—a whole lot of people—are going to be lining up to make sure that that review adequately takes place and takes place in a way that the goal is to maintain a basic floor of rights and fairness across the ESA.

The issue about dependent contractors is so important because, without clearly putting it into the ESA, it provides a road map for employers to work on pushing people out of traditional employment relationships into more and more precarious relationships. I have worked for couriers over the years, and in the past 20 years they have gone from paid employees working on an hourly basis, in their cars, on their bikes, getting benefits, they can only work for the same company—but because they've moved to a delivery rate or because they've moved to, “You make this delivery in however much time it takes,” the Ministry of Labour has increasingly been classifying them as independent contractors, when they are totally dependent on the employer. They work for the employer, they get all their deliveries; they can't work for two or three at the same time. Because of so many decisions, in effect, the Ministry of Labour re-classified couriers as independent contractors, because they don't have the tools within the statute—including dependent contractors—to be able to really grapple with employment relationships today. Check any kind of HR staffing policy guides; they're telling employers, “Stop paying your people by the hour.”

The Vice-Chair (Ms. Ann Hoggarth): We'll go to the government. MPP Colle.

Mr. Mike Colle: Thank you, Mary, and thank you to Parkdale Community Legal Services for the thousands

and thousands of vulnerable people you've helped over the years on the front lines. I've known of your work for many years. Again, thank your staff and all the volunteers and so forth.

By the way, can we have the name of that study you referred to which said that only 17% of below-minimum wage workers work for small business?

Ms. Mary Gellatly: I have it here. I can give it—

Mr. Mike Colle: Can you give us the name of that? I'm going to ask research, eventually, to give us a synopsis of that study, for all of us to get.

I've stated before that what I see happening in the last 20 years is a dramatic shift of protections in the workplace. You mentioned a few of them, with the couriers and the contract workers. I know one side says that these are radical things; they're going to kill jobs; they're going to hurt the economy; the sky is falling; don't make the changes; we don't need more protections in the Labour Relations Act. What do you see on the front lines in terms of the precarious nature of the workplace in Ontario?

Ms. Mary Gellatly: Well, incredible poverty, really. I wish you would have had more chance to speak to workers trying to survive on the low wages.

Also, it's the incredible insecurity, by virtue of the increasing temporariness in job—temp agencies—and the erratic scheduling. We work with people who try to balance their lives by having multiple jobs and child care, without ever knowing if they're going to get hours or how many hours. People go to work sick because they didn't have access to the PEL leave because they worked in a small business. If you don't make much money, you need the wages to be able to take a day off sick.

I could go on and on.

Mr. Mike Colle: The other question I have, with my limited knowledge compared to yours—the vulnerability of workplaces, the lack of protection or security, and the precariousness of work seem to be most affecting racialized members of our community, women, people who have English as a second language, newcomers, people with disabilities. Is the impression that I have overblown? What is the condition out there?

Ms. Mary Gellatly: It's certainly what we see on a daily basis with the people we work with, who come in because they face wage theft, they've been pushed out of the job, or they've been penalized for trying to enforce their rights.

I'm also involved with Closing the Enforcement Gap. It's a community and university research alliance looking at the impacts of precarious work, particularly on enforcement. When you drill down and look at the stats—for example, we were talking about exemptions. Exemptions don't affect workers across the board. The exemptions to things like overtime, minimum wage and hours of work disproportionately affect women, youth, people with disabilities, and the racialized. The research actually supports what's happening, both in terms of the types of precarious work as well as the gaps in the labour law and who is disproportionately affected by that.

Mr. Mike Colle: We're heard from the opposition and from business critics—not all business critics—saying that this is too radical; it's too fast, this rush to update the Labour Relations Act and add all these new protections and increase the minimum wage; it's a mad rush; it's very, very dangerous.

Ms. Mary Gellatly: You know what? It's long overdue. Particularly on the phase-in issue, I'm sorry—

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your submission.

Ms. Mary Gellatly: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): If you have a further written submission, it needs to be to the Clerk of the Committee by 5:30 on Friday, July 21.

WORKERS' ACTION CENTRE

The Vice-Chair (Ms. Ann Hoggarth): The next presenter is the Workers' Action Centre. If you could identify yourself for the official record, and your five minutes will begin.

Ms. Deena Ladd: Hello. My name is Deena Ladd, and I'm with the Workers' Action Centre. We are a centre based in Toronto, and we work with workers in precarious employment. We do a lot of front-line advocacy. We work with thousands of workers who phone our hotline and rely on employment standards for their basic protections.

We think Bill 148 is a really good move forward, and we're very pleased to see the kinds of changes that are talked about in the legislation. We think it starts to move forward on addressing the kinds of front-line issues that I certainly have been dealing with with workers.

I want to focus my remarks on two issues, the first being the minimum wage.

We are very much in support of the minimum wage going up to \$15. In fact, we think there shouldn't even be a phase-in. It should have been \$15 a long time ago, frankly, because we believe that the minimum wage should be based on people living out of poverty. Everyone says that a job should be a pathway out of poverty, but what we have seen in this province is that people are working 50, 60, 70 hours a week making minimum wage because they can't leave poverty. That has a massive impact on their families, the time that they get to spend with their children; the health issues, the physical impacts of working 50, 60, 70 hours a week. I'd like to challenge anyone who's against the increase in the minimum wage to survive on the \$1,300 a month that you would get in your pocket and try to pay your bills and actually live a long life. You won't be lasting that long, that's for sure.

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I also think it's really important that we remind ourselves that employment standards are supposed to be the floor. The minimum wage is supposed to be the floor by which you don't pay below. But what we've seen in Ontario is employers deciding that that should be the norm. So when times have been good, they have not increased the minimum wage, they have not introduced personal

emergency leave; they have not done what's right. What we've had to do is actually push for changes in the legislation, because they're not doing the right thing. Obviously, we hear from amazing employers like Grosche International that have been doing the right thing and have built a very decent business model, but large corporations that are the highest hirers of minimum wage workers—they're not doing the right thing.

The other issue I want to speak about is temp agencies. Ontario has one of the largest numbers of temp agencies in this country, and I think it's really quite critical that Bill 148 brings in equal pay for equal work. I think that is one of the ways in which we need to make sure that employers don't see that they can use a cheap labour strategy for their workers and have no responsibility. However, we need to ensure that workers are not being used as perma-temps. The equal pay for equal work is just one small measure that deals with this. What we would like to do is ensure that Bill 148 actually does the job that it should be doing, which is to stop precarious employment, especially around temp agencies. We feel the client company should be held liable for injuries when a temp agency worker has an injury in their workplace. There should be a cap of 20% of temp agency workers in that client company. After three months, the workers should be hired and, if they're fired, then they should have just-cause protection in case the company is trying to just get rid of them. There should be no fees in the first six months.

We should not have a system where companies are making their profit on every hour of your labour, basically abusing that trust and abusing that ability, to make their profit. We're not talking about widgets; we're talking about human lives here. We need to ensure that people are protected, and all the evidence, all the research, is showing otherwise. It's showing that workers have no voice in their workplace, that they cannot speak up, that they have two employers every day and they're not protected at work.

We see Bill 148 as a fantastic opportunity to make sure that workers are protected, that we deal with precarious employment, and that we ensure that we are not institutionalizing indentured servitude in this province—and that's what temp agency workers become. I think if you ask any worker who has worked for a temp agency, they will say that.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation.

MPP Sattler.

Ms. Peggy Sattler: Thank you so much for your presentation and for your years of advocacy on this issue, which has pushed the government to this point. So, congratulations on what has been achieved.

Ms. Deena Ladd: Thank you.

Ms. Peggy Sattler: You talked about your concerns around the omissions of policy to advance the rights of temp workers. I'd welcome you to elaborate a little bit further if you care to, but I'm also wondering about other exclusions, other omissions, that you see in this legisla-

tion that are disadvantageous for particular kinds of workers.

Ms. Deena Ladd: I think what's really important to note is that the government made real strides in 2014 with Bill 18, where they introduced for the first time joint and several liability between a client company and a temp agency, recognizing that, for wages, overtime and public holiday pay, a worker needed to go after two employers. What was also passed in that legislation, though, was the ability for a worker to also—if an injury happens in the client company, it's the client company that's held responsible for workers' compensation. That was passed, and all it requires from the government level is a regulatory change. We've been waiting for three years for that to happen. I think it's really important that client companies, who are the only company that the worker is exposed to—they actually barely ever see their temp agency. They're sent to work, and the work that they do every day is governed by the client company. Yet the client company brings in temp agency workers when they know somebody might be injured or there might be harm done.

This is, again, recorded and researched by the Institute for Work and Health at the University of Toronto, where the client companies actually admitted that they brought temp agency workers in if they felt that the health of their permanent workforce was going to be jeopardized. This has been researched. There is evidence to show—and all the government needs to do is actually enforce that regulatory change. It would have a huge impact on ensuring that client companies do not take people's lives not so seriously. They would actually think twice about the kinds of work that people are forced to do—because they don't have a voice when they're through a temp agency. Their assignment can be gone like that. I think that this is affecting thousands and thousands of workers in this province. It's just a massive issue that we deal with at the Workers' Action Centre.

I know that cities like Brantford, Windsor and Sudbury have seen their workforces go from people who are permanently hired to disposable, flexible workers through temp agencies. They are treated like absolute crap, especially in the daily assignments and in the weekly assignments. People talk about the kinds of mistreatment and lack of respect that they face. I think it's time that we put an end to it.

Ms. Peggy Sattler: So the measures that are set out in this bill don't go nearly far enough to—

Ms. Deena Ladd: No, and I really think it's great that the government wants to start to address this because it's been a terrible story for too many years. We need to put a cap on this. If you're going to use a temp agency, you should use it for a temporary assignment, which is what they should be designed for, right? But that is not the case. Workers that I know have been in warehouses run by major corporations for five, six, seven, eight years, working at minimum wage and not getting any benefits. If they say anything, they're let go just like that. I really do think that this has become a travesty, and I think we need to put an end to it.

I think, in addition, to stop the perma-temping, we need to make sure that if you've had a worker in your workplace for three months—then obviously you need people in your workforce. You should hire them on permanently. You should allow them to have access to what other workers have, and not treat people like second-class citizens.

I also think that it's really important that we have no fees in the first six months. How would any of us like it if we could not access a permanent job because there was a fee to hire us on? We should have no barriers to permanent work. We're always told to get a decent job. A job should be a pathway out of poverty. So people are working, but they're stopped from getting access to permanent work. We need to use this opportunity to really push this and make sure Bill 148 can be the best it can be to support workers in the workforce.

Ms. Peggy Sattler: Okay.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The government: MPP Colle.

Mr. Mike Colle: Thank you, Deena, for the presentation. I know the long history of the Workers' Action Centre. Thank you for all of the volunteer leadership and support.

Could you explain what you've seen, in terms of front lines, with the status of these temporary workplaces? I think it's one of the hidden areas of Ontario's workplaces. We think of the traditional workplace, but from what I get from my constituents, there are a lot of people who don't speak English, who are women, who are in some ways perhaps undereducated or under-skilled who are working in these factories. They work for long periods of time as temporary workers, with no wage increases—the same wage year after year—and no protections. Has that been increasing, or is it about the same in the last number of years? What do you see the trends being?

Ms. Deena Ladd: When I first started doing research around precarious work—this was back in 1999—I was someone doing on-the-ground work, trying to reach out to workers to answer exactly that question, because we had been hearing lots of stories. What we started to see and what has exponentially grown since the 2008 recession is employers not wanting to have any responsibility for their workforce.

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Many of the people I work with will hear that a factory is hiring, so they'll go to that factory, and they'll get a slip of paper. They'll say, "If you want a job here, go to this agency." Or there will be places they go to where they'll say, "Go down to the office down the hallway and register there." So people don't even know, sometimes, that they're being hired through an agency. They'll go down the hallway and think they're giving their information to the actual company, but in fact it's an in-house temp agency that the client company has used to install and to hire most of the workers. So you have some permanent workers there, but on a daily basis, for years and years and years, you have workers who, only when

they get their paycheque—and even the paycheque sometimes, the temp agency has contracted that out to another temp agency's payrolling department.

So it's like you have to become a private investigator when someone comes to you and says, "I didn't get paid in my job." First of all, you have to try to track where they were. Then, you have to figure out who they were working for, and then who the agency is, who the payroll is.

What we're trying to do in this legislation is actually put the responsibility back to the person who really started it, which is the client company, which has decided that they don't want to have any obligation to their workforce.

The other way that we're starting to see this—and this was literally last week: I had someone come in who is working, through an agency, in group homes and in nursing homes, who has always been an employee. She just got a contract, and they basically said, "You're now a dependent contractor. You're self-employed. We're not going to pay your CPP, your EI, your vacation—anything. You're on your own. Sign this contract if you want to get your job tomorrow." She had the wherewithal to say, "Can I just get a copy of it, because I'm not really sure what it means." She took a copy of it, and we looked at it. This is an agency that she has been working for for seven years, and she has always been an employee, but now what they're doing is they're classifying them all as dependent contractors.

So the thing is, it's not just factories or manufacturing; it's social services, it's nursing homes, group homes, health care. These are the kinds of conditions that people are facing.

Mr. Mike Colle: Some people have come to my office and have said they were working in a factory, temporary, and were getting paid 12 bucks an hour or something—they were hired through an agency—then they found out that the agent who got them the job was getting a kickback of \$3 on every hour they worked.

Ms. Deena Ladd: That's pretty normal practice.

Mr. Mike Colle: Therefore, they're really working for 15 bucks an hour, but they're only getting paid 12 bucks. The company doesn't want to take on the responsibility of paying benefits or hiring or training, so they hire these second or third parties, and they get the kickback.

Ms. Deena Ladd: Absolutely. One of our members has come forward with her story, and it's appalling. She works three 16-hour shifts, so she works 48 hours within three days—

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, please get it to the Clerk by 5:30 p.m. on Friday, July 21—

Interjections.

The Vice-Chair (Ms. Ann Hoggarth): Oh, I'm sorry. I keep doing that.

Mr. Michael Harris: We'll never let you forget.

The Vice-Chair (Ms. Ann Hoggarth): I know. Sorry. We'll move to the official opposition. MPP Harris.

Mr. Michael Harris: Thanks for coming in.

No doubt, you've been witness to some of these committee hearings—I actually watched you on The Agenda not too long ago, I believe. You've heard the concerns from the employer community about the pace at which the minimum wage will be increased—especially that January 1 date. I'd like to ask your opinion on that. You stated earlier that you believe it should go right to \$15. Do you share some of the concerns from the business community that the pace at which this is going to be implemented will have negative impacts on businesses?

Ms. Deena Ladd: I like to look at the research. What we see at the workers' centre all the time is that wages have really stagnated and they haven't increased. Many of our members who have been working for companies for 10, 15 or 20 years are making 25 cents above the minimum wage.

At the end of the day, I just think that if you're an employer and you rely on paying someone so low to do your work, what are you thinking? They can't do their job on \$11.40. They're living in poverty.

The thing is, these large corporations which have 500-plus workers, which are 60% of the employers, are the ones that are the highest minimum wage hirers, right? I think that if you've got 500 people who are working for you, you should be able to pay more. I think it's the only right thing to do.

We've seen all of the horror stories in the US, with Walmart and companies like that, where workers rely on food banks and food stamps. But what we don't hear about is that many of our members who make minimum wage rely on food banks, and cannot fill their prescriptions because they literally have to make the decision between paying their rent and making sure that they've got a roof over their heads or getting their scrip filled. When you see that on a daily basis, then I think that employers can do what Helmi does, which is not take a pay increase, and not have a big, fat bonus, and make sure that people actually are making above poverty.

It's a win-win situation, I think, for the employer. How many of us have been to a grocery store or to a big retailer, and the workers look absolutely bloody miserable because they're tired and they're doing a thankless job? Just imagine if they actually got decent pay for that. They would actually feel a lot better, I think.

Mr. Michael Harris: You know there are three categories of minimum wage. You've got the student minimum wage, the server and then the regular minimum wage.

Ms. Deena Ladd: The sub-minimum wages, yes.

Mr. Michael Harris: I had a chance to chat with a local not-for-profit entity. They're a seasonal business, of course. They've already done their fiscal plan for next year. In fact, they've already sold a lot of their passes, I guess, for the following season. Of course, now this has been sprung on them, the increases to all three levels of the minimum wage. They employ almost 500 people. A lot of them are high school students working part-time while they're going to school. That's going to impact that seasonal operation significantly.

Is there a suggestion that the minimum wage go up but that the student rate and the server rate be left the same? Is there any comment on a scenario where we've got a not-for-profit that has done their forecast for next year and didn't account for this? Because, frankly, the government at the time had said, "We want to depoliticize minimum wage increases," and there was a plan to increase it October 1. Are there any comments on the student minimum wage increase? Do you believe that it should go up dramatically as well?

Ms. Deena Ladd: I think there should be one minimum wage rate. I don't think just because you're 17 and a half, and you're working with someone who is 18, that you should be paid less. I think that's appalling.

I also think a liquor server should be paid a \$15 minimum wage, because, frankly, it's relying on the employer sharing their tips.

I work with a lot of non-profits. We're a non-profit ourselves. There's an incredible conversation happening in the non-profit world, where people, for the last four years, have been starting to raise their salaries and not been relying on the government to do that.

So I would say that if a non-profit is forecasting paying people a minimum wage—let's face it; there's been a massive conversation in this province showing that the minimum wage means that you're 17% below the poverty line—and they're not forecasting increases or making sure—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much. I won't re-remind you, but—

Ms. Deena Ladd: Yes, I know. Okay, thanks, Ann.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation.

Ms. Deena Ladd: Thank you very much.

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CUPE ONTARIO

The Vice-Chair (Ms. Ann Hoggarth): I call on CUPE Ontario. Good morning.

Mr. Fred Hahn: Good morning.

The Vice-Chair (Ms. Ann Hoggarth): If you could please identify yourself for the official record, and your five minutes will begin.

Mr. Fred Hahn: Thanks very much. My name is Fred Hahn. I'm the president of CUPE Ontario. We're proud to represent 260,000 people who live in every community across the province.

I want to first start by acknowledging how important it is that the government is finally trying to address the real vulnerability of workers in our province. I want to applaud the proposed increase to the minimum wage. I want to agree with Deena from the Workers' Action Centre and many others—not to mention dozens of economists from all parts of the economic spectrum, who have spoken strongly in favour of raising the minimum wage.

We have a huge economic imbalance in our province; one that continues to leave workers behind. This disparity

is creating a situation where a large portion of our population has substantial barriers to fully participating in our society. We only have to look at the US to see what can happen if that imbalance goes unchecked.

If our province wants to thrive, we have to make sure that there's a balance in the economy that works for everyone, and with the amendments in Bill 148, that potential exists to move us in that direction. But there are a number of changes needed to complete that goal.

Our union will be submitting a full written brief that outlines a number of necessary amendments that will improve the legislation to actually address these serious economic imbalances in a more serious way. These recommendations include changes that would end unnecessary representation votes in workplaces; ensure all workers are protected properly with succession rights and just-cause protection; end the use of replacement workers; ensure access to first-contract arbitration; ensure more accurate access to workplace information in organizing drives; end unnecessary exclusions in the Labour Relations Act so that all workers can be treated equally under this statute; prevent any ability for a worker to have a standard that's below the Employment Standards Act; make the promise of equal pay for equal work real for workers; ensure access to separate paid leave for those dealing with sexual and domestic violence; and end the unsavoury practice of misclassifying employees as contractors.

But given that I only have five minutes, I'm going to focus on a couple of additional proposals; one has to do with card-check certification. Now, there are many changes in this bill that require time for them to kick in or they're at the mercy of things that are subjective, merit-based criteria. But without access to a union, workers will still find themselves victims of employers who will exploit these loopholes.

Recently, one of our team had the opportunity to speak with a labour board officer who supervises union certification votes. Unprompted, the officer reported that most of the workers, when he supervises a vote, actually think that he's from the management of where they work. They believe the person watching them mark the ballot and stick it in the box is someone who reports directly to their boss. That's clearly not a fair and neutral process.

Card-based certification is the solution to that problem. It eliminates the employer's ability to intimidate workers, to scare them out of unionizing. Right now, the bill purports to provide that to a small segment of workers. But in fact, you have the chance to do what the federal government has recently done: Restore card-check certification for all workers who are federally regulated. If card check is good enough for folks who are federally regulated, if it's the best method for them, if it works for building trades workers in our province, as it has for many years, and if this legislation proposes to extend it to some other workers, then clearly card check is the best method for all workers, period.

The second issue I want to talk about is sick days. This one is simple. All workers deserve paid sick leave and

emergency family leave, and this bill recognizes that. However, the number of paid sick days is set at two, and that's simply not enough. Everyone gets sick. They shouldn't have to risk losing their income or their job to take time to recover. Workers without paid sick time are usually the people who can least afford to lose a day's pay. Working sick isn't good for those workers, but it's certainly not good for the rest of us. The World Health Organization has documented the importance of paid sick leave for worker productivity and for disease control. We want sick leave provisions to be amended to allow for workers to accumulate paid sick leave so that they'd have access to seven paid days a year.

Now, again, these are just two of the concerns and some amendments that we'd like to see in Bill 148. I encourage you to read our full brief when we submit it on Friday and to listen to workers who come to share their stories with you. People are falling behind in our communities. They need the help of their government. I implore you to do what's right to fix Bill 148 so that it truly meets the needs of our province.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The questioning begins with the government side. MPP Martins.

Mrs. Cristina Martins: Good morning, Mr. Hahn. Thank you very much for being here. It's great to see you, and thank you very much for your deputation, your presentation here today.

I've had the pleasure of travelling with the committee since last week across Ontario, and we've been getting in-depth feedback as to what we're doing with Bill 148. One of the things that we've heard, and we've heard it here this morning as well in Kitchener-Waterloo, is that the minimum wage piece of Bill 148—we know that this is an extensive bill. It brings many, many updates to our changing workplaces. We've talked about this for over two years, as a government, but one of the pieces where people seem to think, "Oh, my God, they've just sprung this on us," is this notion of a \$15 minimum wage. This is something that we heard about when we were travelling the province with the Changing Workplaces Review, which was continuously brought up as something that we needed to address as a government. As the MPP for Davenport, this is something that I've been hearing in my constituency office for over three years and that I've had an opportunity to write to the minister on. And yet, people seem very surprised.

Would you not think that this is a sign that we have a government in place right now that is actually listening to the people of Ontario and taking bold action?

Mr. Fred Hahn: I really want to pay tribute to the activists who, as you've mentioned, have been on the ground for, easily, three years, advocating around an increase to the minimum wage. This, of course, builds on activity that's happening across our country, across our continent, and it is so incredibly important and so incredibly necessary. I'm glad to see that this piece of legislation actually responds to that activism that has been in place, again, for a number of years.

Initially, when the review began, many of us who made presentations to the review were told that we weren't able to talk about the minimum wage, but I will tell you that my union, in making presentations to the expert advisers, absolutely spoke about the minimum wage, because it's an incredibly important component of making these changes. But, as you know, this process is more than about the minimum wage; this is actually about rebalancing the relationship in workplaces and the nature of work for today's generation and for future generations.

When the lead story in the *Toronto Star* is about how the exploding employment opportunities are with temp agencies—I know, anecdotally, that all of my nieces and nephews who are in their 20s work in part-time jobs; all are stitching together work. None of them could ever imagine buying a home, let alone doing some of the things—look, we know that this isn't sustainable.

We know that we need to make these changes, and the changes are incredibly important. It's why there are additional amendments that need to be made here—to make sure that we go all the way, that we actually do the best that we can do here, to address that imbalance, to put our province in the best position, not just for today, but for the future.

Mrs. Cristina Martins: I'll pass it on to my colleague.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: Good morning, Fred. I usually see you at Queen's Park in committee, but I'm delighted to have you here on my turf, in Kitchener-Waterloo. Welcome to our community.

Some of the commentary that we have heard this morning is speaking to the fears that some small businesses have in relation to raising the minimum wage. Let me ask you, as the head of a large Ontario union, to weigh in on that. Can you comment on those particular fears?

Mr. Fred Hahn: Well, I think that it's also instructive to look at history. For the last 30 years, whenever there has been a proposed increase to the minimum wage in any jurisdiction in our country—frankly, in North America—there are those who say, "Oh, gosh, the world will end. Businesses will close. We simply can't afford it." The data demonstrates that that simply isn't true; that in fact it helps to generate economic activity—because we know minimum wage earners aren't taking that money and investing it in Swiss bank accounts; they're spending it at their local grocery store and at their local corner store, in their communities, and generating more economic activity there.

People are worried about the speed at which this is happening. I would say, in the economic climate that we're in, with the reality that we have tens of thousands of our fellow citizens locked into poverty and minimum wage jobs, this can't come fast enough.

Ms. Daiene Vernile: I thank you very much for being here and for sharing your comments today.

The Vice-Chair (Ms. Ann Hoggarth): We'll now move to the official opposition. MPP Jones.

Ms. Sylvia Jones: It's nice to see you again, Mr. Hahn.

You and your members were actively involved, as you should be, in the consultation that occurred with the Changing Workplaces Review. Of the 150-plus amendments, recommendations and proposals that we're seeing in this legislation, is there anything in there that you were surprised to see and/or anything that you're opposed to?

Mr. Fred Hahn: I'm quite concerned about a provision that would allow for employers to apply to have representation votes, should they have more than one union representing workers in their workplaces.

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Our union is a public sector union, and so we represent folks who work in hospitals, universities and school boards, where there are many different unions that represent workers who work for those employers. Representation votes are disruptive, and frankly, they're unnecessary. That provision, I think, is one that definitely needs to change—

Ms. Sylvia Jones: Did that surprise you, seeing that coming forward?

Mr. Fred Hahn: It did. It wasn't something we had heard much about, in terms of the process that we were engaged in.

I think that it's incredibly important, when we're talking about the future of work, to expand the ability for people to join a union. To say that some folks deserve card check certification—look, it's not wrong to say that home care workers are vulnerable workers. We represent home care workers. But child care workers are vulnerable, and certainly people who work in hotels and restaurants are vulnerable. If the rationale for expanding card-check to some sectors of the Ontario economy is that they're engaged in vulnerable employment, gosh, there are lots.

Again, given that the federal government has just reinstated card check for all federally regulated employees, it seemed odd to us that the government would only do this for some employees. It's why we're coming here to say we think that this goes in the right direction, but we need some changes that would complete the job.

Ms. Sylvia Jones: And everything else, you're satisfied with? You're happy with the amendments as proposed?

Mr. Fred Hahn: I think that the \$15-an-hour minimum wage is something that would be best served to have it immediately; it would be best served to have one minimum wage and not three. Others have spoken to those things.

Certainly, as I've mentioned, the stuff about paid sick time simply needs to be addressed, as does the important issue of those dealing with sexual and domestic violence, and having paid leave for those dealing with those issues.

These are things that are missing from the bill and that need to be improved.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The third party: MPP Sattler.

Ms. Peggy Sattler: Thank you very much, Fred. Thank you for your advocacy and for your presentation today.

You mentioned the consensus among economists about the importance of the minimum wage in providing that economic boost that would improve Ontario's economy.

We also know that access to unionization is one of the key tickets for people to get out of poverty. Does this bill do enough to make it easier to unionize? You talked about concerns about the limitations around card check. Are there other concerns you have about what the bill includes in terms of easier access to unionization?

Mr. Fred Hahn: Thank you for that. It's incredibly important that it's no accident that once we lost the ability to have card-check certification in Ontario, unionization rates started to fall, and that the kinds of employment we're seeing today are changing partly because it's harder and harder for people to join a union. So, absolutely, having access to joining a union, having the ability to do that as easily as possible, makes best sense for workers.

In every jurisdiction around the world—not just here in North America, but in Europe and across the globe—when unionization rates are higher, the economies are stronger and there is a real middle class. All of that economic information is there.

This piece of legislation not only doesn't extend card check to all employees, but, for example, it says, "Hey, an employer has to tell you who works at a place if you can get 20% of the cards signed." It doesn't make it clear what information they have to provide to you. We know, and anybody who has been involved in an organizing drive will know, that if an employer wants to resist a union, they can plump the list. They can put folks on the list who ought not to be there. They can complicate matters at the board.

There are a variety of ways in which this legislation could be improved to increase the capacity for workers to join a union. All of that stuff will be detailed, as well as particular proposed language amendments, in our brief that we're going to give on Friday.

Ms. Peggy Sattler: In your previous response, you touched on the issue of protected designated leave for domestic violence and sexual violence. Can you explain why you think that the personal emergency leave provisions of this bill are not sufficient to address the needs of survivors of domestic violence and sexual violence?

Mr. Fred Hahn: Certainly. It's important for people to have access to emergency leaves for a variety of reasons. It could be because their kids are sick; it could be because their parents are ill; it could be because their pipe burst in their basement; it could be for lots of different reasons.

But when we're talking about our fellow citizens who are subject to domestic and sexual violence, those folks are dealing with a particular situation. They require designated, separate leave—paid leave—in the Employment Standards Act, available to every one of them, so

that they can deal with those particular situations, and not in the same way that they would deal with whether or not their pipe burst or whether or not their kid was sick, but in recognition of the reality that folks who are dealing with sexual and domestic violence are dealing with a particular kind of challenge in their life. They deserve not only to not be risking their employment by having to take time away from work, but also to not be risking their economic viability by losing pay, by having to miss work as a result of dealing with those issues.

Ms. Peggy Sattler: Do you have any other concerns with the bill that you'd like to highlight right now?

Mr. Fred Hahn: It sure would be good if we weren't doing this in the middle of the summer, when most people are on vacation. But I'm very heartened to see that people in this community sure did show up. I think people are really interested in this, and I think people are interested in it because they know that these changes are needed and that in fact we can even do better than what is proposed here in this legislation.

The Vice-Chair (Ms. Ann Hoggarth): Thank you, Fred. If you would please have your written submission in to the Clerk by 5:30 on Friday, July 21.

1823914 ONTARIO INC.

The Vice-Chair (Ms. Ann Hoggarth): The next presenter is 1823914 Ontario Inc.

Mr. Graham Oliver: Good morning.

The Vice-Chair (Ms. Ann Hoggarth): Good morning, sir. Could you identify yourself for the official record, and your five minutes will start.

Mr. Graham Oliver: Good morning, Chair and members of the committee. Thank you for allowing me the opportunity to speak. My name is Graham Oliver. I've been involved with Tim Hortons for 38 years, starting as a part-time team member. I've been an owner/operator for the last 20 years. Tim Hortons was built by families. It's really a collection of many hundreds of small business owners operating under the same iconic brand.

First, let me begin by acknowledging that I see the value in fair wages, and I respect the spirit and the intent of Bill 148. As a business owner, I take tremendous pride in helping my team members succeed and get more opportunities in the workplace.

However, as you know, Ontario's small and medium-sized businesses are the backbone of our economy. In broad strokes, the fundamental concerns from the business community are not with the increase in the minimum wage. This has been keeping pace with the consumer price index for a number of years now. The concerns we have—I speak not just for me but for small business owners in my community, some of whom are here today. I've spoken with my electrician, local grocers, Chuck from McDonald's, and many of my fellow operators, and we're all very concerned. In particular, we have a team member, Mital, who has been a tremendous worker with us, full- and part-time, for the last three years. Her family owns a pizzeria in Stratford,

but she works with us because she needs benefits to help provide more stability in her income. I've spoken to her and she's very concerned about her business and, frankly, whether she'll survive. These are just a few examples.

The challenge we business owners face with Bill 148 is the pace of change. Simply put, it's too much change, too fast. A 23% increase between now and January 1, 2018, or 32% overall as of January 1, 2019, is too steep an increase, without considering what the impact will be on the average business in this province. I can't speak for everyone, but for my business, when the minimum wage increased 28% between 2008 and 2010, it was very difficult to manage.

Speaking for me personally, the restaurant industry, as you know, is very competitive, and it is by far one of the most labour-intensive industries. Even before these proposed changes, labour is the biggest line item in my budget.

I think it's important to note that I offer many of my team members more than minimum wage. I reward my team members based on performance, because I know the success of my business depends on their success. To me, as a business owner, the people behind the counter are just as important as the people walking through the front doors. It's my role to manage the balance between these two key aspects of my business.

Let me provide you with some real examples.

We have a voluntary RSP program that allows team members to put away 2% of their monthly pay, and we double that to help them save for the future. We have an incentive program that rewards team members who go above and beyond various service goals, including drive-through and other key aspects of our business.

I offer these rewards to my full-time and part-time members because I want to see them succeed and progress to other opportunities inside my business, if they're interested in supervisory or management positions, or to other career opportunities beyond Tim's.

It's my privilege to work with some incredible people. I'm very proud to say that we have three team members who have been with us for more than 25 years. John, who's 80 this summer, has been with us for more than 25 years. He helps out with stocking and general maintenance. He enjoys what he does and really just wants to stay busy.

Dilman, who has been with us for 13 years, learned to speak English while on the job. Today, she's now one of our best managers. She has incredible attention to detail and does a fabulous job.

Eli is a part-time student at McMaster. He has been part of our scholarship program. I know he's going to go on to do incredible things, and I'm very proud to have given him his start with us. I want to continue to work with these amazing people. I want the success of my business to be their success, too.

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In summary, the unprecedented pace of change outlined in Bill 148 is too much, too fast. Please pause to reconsider the timeline and complete an economic

analysis on the impact of these changes. As you know, any significant changes in the public or private sector require us to do our due diligence.

As a business owner, I know I can't speak for everyone, but I will say that many of those I have spoken to were committed to finding reasonable solutions to keep Ontario working for fair wages into the future. Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir. We'll open the round of questioning with the official opposition. MPP Harris.

Mr. Michael Harris: Graham, I want to first off thank you. You help support an immensely important program, Nutrition for Learning, here in the region of Waterloo—probably one of the biggest single contributors to that program, ensuring that kids get a healthy breakfast and a good start to their day. So I want to first off thank you for participating in that program.

Mr. Graham Oliver: Thank you.

Mr. Michael Harris: I'd like to ask if there are any other aspects to the bill—of course we're hearing a lot about the minimum wage, but it goes deeper than that. For instance, on the scheduling side of things, is there anything else other than what you've spoken about that you have concerns with?

Mr. Graham Oliver: Yes. On the issue with respect to scheduling and the notice period with respect to changing shifts, our business is very seasonally dependent. We've got a lot of students and, frankly, we've got a lot of full-time people who are going to school and things come up. The one thing about our business which I think is great is that we provide flexibility. We'll work with anyone's schedule. Putting in these kinds of notice periods—you want to do the right thing all of the time, but at times things come up that you just can't predict. I mean, the worst-case scenario in a Tim's is that you have vehicle impacts and suddenly things change in your restaurant and you've got to make changes. So, if I could have an ask—if that could be reviewed and maybe rethought, because in the hospitality and service sector it's a very challenging issue.

Mr. Michael Harris: A lot of folks may just assume that your industry is minimum wage only. You did briefly talk about some of the other benefits that you offer. I don't know if you want to highlight some of those again and what they actually can add up to.

Mr. Graham Oliver: We're an entry-level employer, but in the same breath, you want to provide opportunities. We provide benefits to full-time people, we do an RRSP program for anyone over 18 full- or part-time, we have a scholarship program, we have a bereavement policy. It's all best practices. You hear what's going on in the industry, and good business is providing good business practices.

I think an incentive program—people can make \$1, \$2, \$3 or \$4 an hour more than the minimum wage, based on how hard they want to work or the effort they put into it, and we're both going to win in that situation.

Mr. Michael Harris: It has been shared that there are additional costs other than just the minimum wage: EI,

CPP. Have you also factored those cost increases into your fiscal year next year in terms of what that will likely cost your business?

Mr. Graham Oliver: Well, I'll be honest with you—

Mr. Michael Harris: And did you factor for these increases?

Mr. Graham Oliver: We recognize that everything is going up. You can throw in hydro on that one. Right now, because the playing field is very uncertain, I think if we can see an economic impact study for the whole industry, I can really assess it. Right now I can't answer all of those questions. I have a pretty good idea that it's going to be much more expensive to do business, and I'm going to have to make some tough decisions. But right now it's really tough to say. All I know is that there are going to be some fundamental changes.

Mr. Michael Harris: You employ full-time and part-time, obviously. How many of those would be students, whether they're going to high school or university? Do they prefer those part-time, flexible hours to help them in their studies?

Mr. Graham Oliver: Yes. It's a 60-40 split, full-time, part-time. We have part-time high school kids, university kids, adults going to school. I'm a product of that: I went to university part-time, did the Tim Hortons thing full-time. My employer back then accommodated my schedule, and we try to do the same thing for our people. It's all about bettering yourselves, whether you choose to stay with Tim's long-term or you turn—police officers, teachers, accountants, politicians, you name it. Tim's, and McDonald's for that matter, is a stepping stone to bigger and better things.

Mr. Michael Harris: Thank you for your time.

The Vice-Chair (Ms. Ann Hoggarth): I'll move on to the third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much for taking the time to come today, to share your personal experience as a business owner and your concerns about the impact of Bill 148.

I'm also interested in the demographics of your workforce. You mentioned that about 60% are full-time and 40% are part-time.

Mr. Graham Oliver: That's correct.

Ms. Peggy Sattler: And you gave us some profiles of three employees who have been long-standing employees with your company. What else can you tell us about your workforce, particularly the full-time workers? How many are paid minimum wage? What percentage earn more than minimum wage?

Mr. Graham Oliver: Right now, roughly 32% are paid minimum wage, but with our incentive program, right out of the gate, you can make a little bit more. Again, it's all based on performance.

In terms of high school students, they're roughly 27% of our workforce.

Around 35% to 40% are new Canadians, either first or second generation.

The beauty of our business, frankly, is—and I highlighted it—for many, it's a great way to learn the lan-

guage. We have an opportunity in our business for people to do that.

Ms. Peggy Sattler: You mentioned that you see a lot of students going through. But in general, what kind of turnover do you get?

Mr. Graham Oliver: In our business, it's roughly 50% to 60%. It goes in cycles. It's inherent in the job. This year, we had all these great kids going to university, or they maybe put in a first year and they really want to focus on school, so they'll move in September. It's just inherent in the business.

Again, I qualify our business as an entry-level employer. You learn a skill set, and it's very transferrable. I just never figured out what else to do.

Ms. Peggy Sattler: How many employees, by the way?

Mr. Graham Oliver: The average restaurant has 40 people.

Ms. Peggy Sattler: Do you have a sense of, generally, how many people are working more than one job; who are having to work both at Tim's plus additional employment elsewhere?

Mr. Graham Oliver: It's not that many. I see more of them going to school. I have a full-time manager, and she just finished one portion of a nursing program. I keep encouraging her, "Go be a nurse. That's what you want to do." She's going back to further her education, but she wants to balance both. We had a student who was in social work, and she balanced a master's program and worked with us full-time. That's what we can do. We'll work around their schedules. The nice thing is that she got a job right after she graduated. We can provide those opportunities, given our flex scheduling.

Ms. Peggy Sattler: You are advocating for a longer phase-in to the increased minimum wage. Do you have any suggestions or thoughts about what other measures the government could implement to help you with this transition to a higher minimum wage, like offset subsidies—any other kinds of incentives or programs that could be implemented?

Mr. Graham Oliver: To be honest, really, just an economic impact study. I want to look at all the what-ifs. I can't answer them all. The phase-in period, I really can't even speak to that. I think there are so many variables, between your unemployment rate, the cost of living—there are a lot of things at play here, and I really can't speak to that because I just need all the data. As a business owner, you try to get as much—the gut feel of years ago just doesn't cut it anymore. You've got to get all the facts before you make a decision.

Ms. Peggy Sattler: But you're open to hearing those economic impact—

Mr. Graham Oliver: Absolutely. To make good business decisions, you've got to listen to all stakeholders at the table, and then we all can align. Absolutely, if it makes sense, let's do it.

Ms. Peggy Sattler: Earlier today, we had a living wage employer from Kitchener-Waterloo who talked about the positive impact on his business from moving to a higher-wage model for his employees.

Mr. Graham Oliver: Again, if we can go back and look at the economics of it, if it can make sense and we work together and then—you want to grow your business, and you want to provide opportunities for people. That's what we're in business for. There's going to be some bruising, maybe, on both sides. But if we can do it very respectfully and without too much disruption in the economy, frankly, then I fully support that.

The Vice-Chair (Ms. Ann Hoggarth): The government. MPP Colle.

Mr. Mike Colle: Thank you, Graham. Listen, I think all members of the committee appreciate your answer to MPP Sattler's response, that you're willing to listen to economic impact analyses or back and forth with different responses to concerns.

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That's one of the reasons why we've taken the unprecedented move here of having these across-the-province hearings in first reading. Usually we do this later on. We realize, because we've heard from people like yourself, that there should be an opportunity to hear from you and to look at some of the concerns you've raised.

I know there was an article in one of the Toronto papers today, saying nobody is interested in these hearings, and nobody cares. Meanwhile, look at the people in Kitchener-Waterloo today who are here, like yourself. We're gratified that you've taken the time to make some very good points.

I just wanted to ask you a couple of questions. You are a franchisee, right?

Mr. Graham Oliver: Correct.

Mr. Mike Colle: How many franchises do you have?

Mr. Graham Oliver: Nine.

Mr. Mike Colle: Nine. Okay. How many employees do you have?

Mr. Graham Oliver: I have 347.

Mr. Mike Colle: In terms of those 347, what is the average wage that you pay, approximately?

Mr. Graham Oliver: It's challenging to answer that question, because you've got incentives and that varies every month. It's hard to answer the question, because you've got benefits, you've got RSPs.

Mr. Mike Colle: Yes, I know.

Mr. Graham Oliver: We've got some vacation policies with people for long term that actually align somewhat with the five-year policy being discussed. So, it's very difficult to answer that question, because it really depends on someone in that stage.

But I will say that people who have made a choice to make this a career—you can make it a career. Particularly some of the newer Canadians who have committed to working with us for the long term—again, I'm a product of that.

Mr. Mike Colle: It's a great opportunity, yes; no doubt about it.

A part-time employee: What would they make, roughly, at one of your Tim Hortons?

Mr. Graham Oliver: A student under 18 will make the standard student rate at the moment, plus incentives. A student who works in the drive-through, who can really knock it out of the park in the first month, can make an extra buck an hour, or \$1.50 if they're really strong.

Mr. Mike Colle: About \$11 an hour, then?

Mr. Graham Oliver: Yes, in the event that some of the incentive-based programs would be put in place. For a production person who can really hit their marks, we can add on to that. But it does change every month. People like this, because of—

Mr. Mike Colle: Incentives.

Mr. Graham Oliver: Yes, it's the incentives, and they like the rewards system.

Mr. Mike Colle: What does a franchise go for in the Kitchener-Waterloo area for Tim Hortons? What's the market price?

Mr. Graham Oliver: About \$1.5 million.

Mr. Mike Colle: About \$1.5 million.

Mr. Graham Oliver: Yes.

Mr. Mike Colle: So it is a very huge investment, on your part, to hold these nine Tim Hortons. How is Tim Hortons doing in the KW area? I know that wherever I go, there are lineups.

Mr. Graham Oliver: We're a volume business; we do fairly well. But you know what? We're a penny-profit business.

Mr. Mike Colle: You're a what?

Mr. Graham Oliver: We're a penny-profit business. I mean, our business is very typical of hospitality: You've got to work it. I can speak for my colleagues in the room. We're all in our restaurants every day. You've got to really work.

We're very fortunate. I'm blessed. I work for an iconic brand. It was a part-time job when I was 14. I fell in love with the business. But you've really got to work it to make it work, just the economics of the business.

Mr. Mike Colle: You're willing to explore different initiatives, perhaps. I know the minister for small business in Ontario, Jeff Leal, is looking at ways of helping business transition through this.

The complexity here is that if one franchise holder has got one Tim Hortons, that comes under the category of small business. If you've got nine, then it's another category, perhaps. That's something we're going to have to look at. It makes it a bit more complicated.

Mr. Graham Oliver: I agree. The average operator, though, in Ontario has two to three restaurants. I've been around forever, and my kids are involved in the business, so it's very spread out.

Mr. Mike Colle: It seems to be the business case right now, and the business model is to have two or three to make it viable.

Mr. Graham Oliver: Frankly, that's the way the business has evolved. It's tough to make it on one, to be honest. I won't sugar-coat it; that's just the reality.

Mr. Mike Colle: And then you've got—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much.

Mr. Mike Colle: Okay, sorry.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you are sending a written submission, it needs to be to the Clerk by 5:30 p.m. on Friday, July 21.

Mr. Graham Oliver: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Committee, we are recessed now until 1:30.

The committee recessed from 1145 to 1330.

The Vice-Chair (Ms. Ann Hoggarth): Good afternoon. We're meeting here this afternoon for public hearings on Bill 148, An Act to amend the Employment Standards Act, 2000 and the Labour Relations Act, 1995 and to make related amendments to other Acts.

Just a reminder: This meeting place is an extension of the Legislature, and the same decorum is required here. No clapping, shouting, heckling or political material is allowed.

Each witness will receive up to five minutes for their presentation, followed by up to 15 minutes of questioning from the committee.

Are there any questions before we begin? Thank you.

FACULTY ASSOCIATION OF THE UNIVERSITY OF WATERLOO

The Vice-Chair (Ms. Ann Hoggarth): I'll call the first witness for the afternoon, the Faculty Association of the University of Waterloo. Good afternoon. Do you have a submission to hand out?

Dr. Sally Gunz: I do.

The Vice-Chair (Ms. Ann Hoggarth): If you could state your name for the official record, and your time will begin when you've stated your name.

Dr. Sally Gunz: Hello. My name is Sally Gunz. I'm the president of the Faculty Association of the University of Waterloo, which I'll refer to as FAUW. FAUW represents all faculty members at the university except those who are hired to teach by course only, and those are referred to as sessionals in my presentation.

I'm a professor of business law and professional ethics in the school of accounting and finance, and have worked at the university since 1981, although today I'm speaking in my capacity as president of FAUW.

Members of the public often think of university professors as well-paid, privileged employees, and indeed, many of us are, myself included. But few are aware of the prevalence of precarious work on university campuses. My focus is on Bill 148 as it affects the many faculty teaching at the University of Waterloo who are employed solely on the basis of limited term contracts, and I'll explain that in a minute.

I note that the university is presently revising its faculty hiring policies, and issues around precarious employment are the subject of formal examination. I should note that Waterloo is not a unionized university in terms of its faculty.

As background, it's important to understand that there is a wide variance in terms and conditions of employment

for contract faculty at universities. For example, at the University of Waterloo, the term "lecturer" refers to people who are almost always hired on one- to five-year contracts and any number in between, but a limited number are hired on an ongoing, permanent basis. My focus is on the limited term contracts.

Sessional instructors are hired by individual course. A distinction here is very relevant between those who teach in order to complement another, often professional, occupation or career or to provide post-retirement part-time work; and those for whom sessional employment is in fact full-time employment or close to it. The goal for many of those latter people is to become full-time professors. In the meantime, they piece together contracts at Waterloo and often elsewhere, in some cases over very extended lengths of time.

While unstable employment may be used to meet legitimate short-term university needs, increasingly such positions are created and sustained in response to real or perceived funding constraints. As university costing models become more sophisticated and transparent, the pressure to maintain flexibility by using temporary positions for high-level teaching tasks appears to be increasing.

I'll give you two examples from the University of Waterloo.

In the first case, a lecturer was hired on one-year contracts for approximately 10 years. He taught a range of courses in a particular discipline. He received very high teaching ratings and, in fact, a teaching award, and provided strong service to his department. Yet his employment remains year-to-year and dominated by no security.

The second case involves a professional program. Here, the instructors are hired to teach often multiple sections of courses, sometimes far exceeding a full-time load, but without the benefit of full-time contracts. This denies them a reasonable income, pension or benefits. Just to remind you, these are people teaching by the course. The university is reluctant to commit to full-time appointments, despite the obvious teaching need in this program, one in which students pay significantly enhanced fees.

The use of exploitative hiring exists across universities. The case examples I cite here are common. Highly qualified instructors have no employment security, comparatively low pay, and, in many cases, no pension or benefits. Where educational institutions face funding pressures, the increased use of flexible hiring options is virtually inevitable.

While Bill 148 says that no employee shall be paid a rate lower than a comparable full-time employee of the same employer, there are broad exemptions to this rule. What Bill 148 can do, and what I on behalf of FAUW urge you to do, is to make exploitative hiring options economically unattractive to universities.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Time is up. We'll go for the first round of questioning to the third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much for joining us today. You were in the middle of saying something, and I'd like to offer you some time to complete the recommendation that you wanted to bring to the committee.

Dr. Sally Gunz: Thank you. My recommendations are in support of OCUFA recommendations. That's the provincial body representing all faculty associations.

We want to extend equal-pay-for-equal-work provisions to benefits. That's particularly important.

We want to see Bill 148 amended to prevent the use of discontinuous contracts as a means of avoiding stable employment.

Finally, we want to extend the notice period for scheduling of employment to at least two weeks. It's still somewhat moot in an academic setting, but at least it's better than 48 hours.

Ms. Peggy Sattler: Thank you very much. Can you talk to us a little bit about the impact of working in these precarious positions for contract faculty, both for those individuals but also for the students who are being taught by contract faculty?

Dr. Sally Gunz: Certainly. The category of people most relevant to talk about, I think, are the people who are trying to piece together a career. For them, it's highly stressful. They don't know from one term to the next whether they're going to be employed. They may be travelling over the whole of the area of southwestern Ontario to get teaching positions.

On the OCUFA lobbying day, I was actually with one of the members of the opposition, talking to him, and his assistant was saying she remembers driving one of her professors to the bus station after class at 10 o'clock, so that he could get a bus to a different university. It's that kind of life.

It's very tough for students. It means that their instructors are often not there most of the time because they're at another university or maybe even getting other employment to supplement their income. It's not a good solution.

These are often people with PhDs, with very successful teaching records etc.

Ms. Peggy Sattler: What are the concerns with Bill 148, as currently written, in terms of protections for these precarious contract faculty?

Dr. Sally Gunz: I think the biggest concern is that it doesn't provide tightness in terms of the provisions for equal pay for work of equal value. I include a footnote, but probably the OCUFA briefing documents are better and more complete.

Where it provides very clearly cheap options to full-time positions, it is not a satisfactory solution for either students or faculty.

Ms. Peggy Sattler: This is not just a problem at the University of Waterloo; this exists across the sector. Can you speak to what kind of increase we're seeing in the rise of contract faculty at post-secondary institutions across Ontario?

Dr. Sally Gunz: This is actually incredibly hard data to come up with. I know the universities themselves—I

think it was York that had some negative publicity on this. But there is no doubt that all the universities are experiencing funding pressures, and this is the easy way of addressing it.

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We've had people who are teaching, on these sessional loads, up to 12 courses a year, which is extraordinary. It's double a lecturer's normal rate.

The university's argument would always be that it's financial pressures that are causing this, but whatever the reason, it's simply not an optimal solution.

Ms. Peggy Sattler: Thank you.

The Chair (Ms. Ann Hoggarth): To the government: MPP Colle.

Mr. Mike Colle: Thank you very much for your presentation. You say you're a professor of business law?

Dr. Sally Gunz: Yes.

Mr. Mike Colle: I was just wondering: Have you looked at this bill from that perspective at all, at the impact it's going to have on business in general and their ability to operate in a viable financial way?

Dr. Sally Gunz: It's interesting. I don't pretend to have the expertise. I'm not a labour lawyer, and I'm not an economist. But it was interesting. I'm teaching this term, and we did have a discussion in an employment law class. I got the distinct impression that students totally understand the tensions. They're often in fairly lowly paid positions and they understand the tensions and the arguments that say that if you can't afford to pay people well, then the business isn't economically viable. People need to be able to sustain themselves. I can't pretend to have the expertise to have explored the bill from the legal perspective, however.

I would refer to the OCUFA documentation.

Mr. Mike Colle: I guess that brings up another question. Sometimes people dismiss the financial challenges students face. They say that if they get paid minimum wage, that is not hard for them because they're students. On the other hand, we were hearing stories about students having to pay the same rent. I mean, they don't get a discount on their rent if they're in high-rent places in the GTA. Then their food costs and their general clothing costs etc. are just as much as for a person who is not a student.

Do you find students are challenged, or are they basically able to get by on minimum wage?

Dr. Sally Gunz: In the program I teach in, all our students are co-ops, so they have the advantage of having regular employment, although it's highly competitive for them to get it.

There is no doubt, particularly in professional programs, which is what I'm in, where they have enhanced fees, that it's a real struggle for students. The system is dependent on having family support them, and I suspect that I see a lot of that.

It was interesting at graduation recently, however, talking to parents. The common theme was just sheer relief that this financial burden was over. One family from Vancouver was talking of both parents having two

jobs to pay for it, with the student, of course, working as well. The real stress of this on whole families should not be minimized.

If you live in this area, particularly in the Waterloo area, the economic benefit to the community of having students there is extraordinary. We have housing, as you say, and the restaurants, the shops, everything. It's a huge payback to the community.

Mr. Mike Colle: I would suspect the universities are the number one or number two employers in the region. Wouldn't they be?

Dr. Sally Gunz: I'm embarrassed to say I don't know the answer, but I would think so. They're certainly very high, yes.

Mr. Mike Colle: I know in Hamilton, the McMaster University Health Sciences Centre is the number one employer now.

Dr. Sally Gunz: Yes.

Mr. Mike Colle: And in London, it's the same thing.

Dr. Sally Gunz: Yes.

Mr. Mike Colle: In terms of the issue of these contracts that are part-time, I know you referenced it a bit. Has the trend been increasing? As you said, it's difficult to find the data on this trend.

Dr. Sally Gunz: I think that, generally, it has been. Certainly, when I observe my own school, we have a lot of pressure to have very high-level teaching because of the program we deliver, because of the cost to students. There's no doubt it has been increasing, because there's pressure to increase the number of students, and that's the way that the university sees fit to address that issue.

Across the board, we hear stories of departments surviving by maintaining a reasonably high level of sessional instructors, and they're sort of less than part-time; they're teaching course by course.

Mr. Mike Colle: Then they would go, as you said, from university to university. They could be at McMaster one day and at Laurier the next day.

Dr. Sally Gunz: Yes, exactly. Waterloo and Laurier would be the perfect combination.

Mr. Mike Colle: Anyway, thank you very much.

Dr. Sally Gunz: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the official opposition: MPP Barrett.

Mr. Toby Barrett: Thanks for the presentation. We've heard a number of presentations and certainly discussions in our ridings about full-time work, part-time work and how you can legislate some of that through legislation like this. You raise the issue of equal pay for equal work and your suggestion or recommendation, also equal benefits for equal work. I guess I wasn't clear. In the legislation, you're suggesting it doesn't look at the total compensation package; it's just looking at an hourly wage or a salary.

Dr. Sally Gunz: Yes. Generally speaking, if you look at the footnote—I'm not sure if this was distributed—and if you actually go to the OCUFA documentation, there's so much wiggle room in terms of comparing the two in terms of the rate for a sessional person per course and a full-time faculty member.

Mr. Toby Barrett: Benefits: That could well be another 30% or 40% or higher, on average.

Dr. Sally Gunz: I would be surprised. I'm not sure which benefits you're talking about.

Mr. Toby Barrett: Well, I guess everything from vacation time to sick time to pension, health benefits and supplementary dental. How long do we take the list? It's a significant cost.

Dr. Sally Gunz: Yes, it's certainly a real cost of employment, and I think all of us who get those benefits are very grateful for them. There have to be creative ways, whether it's province-wide coverage, for example, for pensions for people who are working in these sessional positions. I'm not sure what the optimal solution is for that, whether they become part, on a pro-rata basis, of the university pension funds. We have a defined benefit at Waterloo.

But certainly, even if we hire people to proctor exams or students to help with grading or adding exams, all the deductibles, we must pay. So it's a very normal one. The problem for people in this kind of precarious employment is that they have no health benefits in terms of additional drug benefits or any other benefits we'd all expect in life.

Mr. Toby Barrett: No. The part-time, full-time—this difference with a full-time job and the discontinuous contracts or the temporary contracts that I think you're suggesting can go on for a number of years. Again, in speaking with businesses, part of it boils down to how we would pay for this.

So many businesses indicate to me—and sometimes this comes up with the minimum wage. I've talked to employees where it's explained to them, "Okay, in the future, over the next year and a half, there's only so much money in the pot. The new hires"—say in the restaurant industry—"are going to be a draw on that pot of money, and more senior people," maybe they're making \$18 or \$19 an hour and have benefits, they're not getting the Christmas bonus. They're going to have to help out.

In the funding system for universities, will the pressure be on all of you to help out to accomplish some of these goals, which will be a significant draw on your compensation budget?

Dr. Sally Gunz: I have no doubt that's correct. In fact, the history of the last I'm not sure how many years—perhaps 20 years—has been that indeed that's exactly what has been happening, and students are directly affected as well.

1350

The most obvious way that happens is increases in class size. In an educational institution, where 85% of the money goes on salary—you know, fixed costs—there are few ways that you can vary it, and there's no doubt that increasing class sizes is one way, and increasing—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a further written submission, if you could please have it to the Clerk by 5:30 p.m. on Friday, July 21.

Dr. Sally Gunz: Thank you very much.

**WILFRID LAURIER UNIVERSITY
FACULTY ASSOCIATION**

The Vice-Chair (Ms. Ann Hoggarth): The next presenter is Wilfrid Laurier University Faculty Association.

Good afternoon. The Clerk is handing out your submission. If you would state your names for the official record, and your five minutes will begin.

Dr. Anne-Marie Allison: Hello, everyone. Thank you for this opportunity. My name is Anne-Marie Allison, and this is Kimberly Ellis-Hale. We are contract faculty liaisons for the Wilfrid Laurier University Faculty Association, which represents over 900 contract faculty who teach more than 40% of the classes, and 50% of the students, for less than 4% of revenue. We are hopeful about Bill 148.

I've been teaching in the math department at Laurier for more than 10 years as a contract faculty professor. This summer, I'm teaching a fourth-year mathematics course. My salary for it is \$7,199.08, while my full-time colleagues would be paid over \$13,000 to teach the same course. We should be paid equally for work of equal value. Simply put, we are not.

The inequities extend beyond our salaries to things like not having benefits or office space. It is not uncommon to hear of contract faculty having to make difficult decisions regarding their health and the health of their children.

We recommend eliminating the exemptions and adding in language that would ensure equal pay for work of equal value, with equal access to benefits.

Kimberly?

Dr. Kimberly Ellis-Hale: This fall marks the beginning—

The Vice-Chair (Ms. Ann Hoggarth): Could you identify yourself, please?

Dr. Kimberly Ellis-Hale: My name is Kimberly Ellis-Hale. I'm contract faculty at Wilfrid Laurier University.

This fall marks the beginning of my 20th year teaching at Laurier. To date, I have signed close to 100 contracts. In what other industry could I have worked for this length of time on discontinuous contracts and not been a continuous employee?

In the weeks leading up to the beginning of each term, I worry. Every September, January and May—58 times in the last 20 years—I can't seem to breathe.

As a single mother of two, the constant spectre of unemployment looms large in my life and the life of my family. Not knowing if I'll be teaching from one term to the next makes it difficult for me to support the other young people in my life: my students, your children and your grandchildren.

They often look to me to discuss their hopes and dreams, to write their letters of reference, to celebrate their successes, and, yes, sometimes to provide some reassurance when they fail. When they ask what I'm teaching next year, or if they can still drop by even if

they aren't taking a course with me, there is no office location, no course offering or assurance I can give. When they ask why, I'm ashamed, but not of myself. I'm ashamed of my university for being one of this region's largest employers of precarious labour.

You have the power to change the unfair conditions of my employment.

In addition to the recommendations Anne-Marie and other contract faculty have put forward, I'd like to direct your attention to the proposed legislation's oversight regarding the growth of fixed-term contracts.

To protect people like us, there needs to be a provision that disallows their use and opens the door to workplace rights and entitlements. After all, it would only be fair.

As part of our information campaign of last year, examples of which are in your brief, we had T-shirts featuring a 1996 Doonesbury comic that's as telling today as it was the year of its creation.

Dr. Anne-Marie Allison: "Evans? King here! You found that econ lecturer yet? We got 300 kids waiting in Commins Hall!"

"Hold on, sir... Listen up, people! I need a Keynesian economist for a one-semester lecture course! Any takers?"

"Yes, over here!"

"What're your requirements?"

Dr. Kimberly Ellis-Hale: "A living wage, and to be treated like a human being!"

Dr. Anne-Marie Allison: "Sorry, sir—I'll keep looking."

Dr. Kimberly Ellis-Hale: "Okay, okay, forget the human being part!"

Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll open this round of questioning with the government: MPP Colle.

Mr. Mike Colle: Again, with these contracts, how many years have you said you've been a math professor?

Dr. Anne-Marie Allison: For over 10 years.

Mr. Mike Colle: And always under these temporary contracts.

Dr. Anne-Marie Allison: Going back to 2004, I started with a limited-term appointment. I had a one-year contract, but those are very rare nowadays. For more than 10 years, yes, I have been hired per year. Every semester, I have to sign a contract for every single course. Essentially, every year, I have to apply for the same job I've been doing.

Mr. Mike Colle: My colleague here from Kitchener would like to continue.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: Good afternoon, ladies. Thank you very much for being here. As I sat here listening to you, I was reminded of an experience I had a few years ago. I took a night course at Laurier in Italian. The wonderful professor that we had—I got to chatting with her. I was stunned to hear that she was teaching at Laurier and she was also teaching at Waterloo and then teaching at York, driving back and forth and back and

forth, putting together the semblance of a full-time job. She was about eight months pregnant at the time. She wanted to be full-time faculty. She wanted to get a full-time job somewhere but said that it was very difficult to do so. So I would agree with you: If you are doing the same work as someone at a full-time level in this contract work, you ought to be paid the same.

You talked about language that you would like to see on equal pay. Can you give us some specifics on the wording you would like to see?

Dr. Anne-Marie Allison: Well, in general, one of the phrases that I noticed is just this phrase “equal pay for equal work.” We want it to be—the idea of things like “substantially the same kind of” is tricky. There’s ambiguity there. We want that kind of term changed to “similar.” But the phrase “equal pay for equal work” could also be extended to work of equal value, and with equal access to benefits, because we don’t have that.

Ms. Daiene Vernile: So we have Bill 148 now coming forward, and we’re so happy that you’re here sharing with us your lived experiences. Have you discussed this with administrators at Laurier, and what kind of reaction are you getting there? I see some grim faces.

Dr. Anne-Marie Allison: So I’ll start; Kimberly can continue. No, we haven’t discussed the bill with administration at all.

Ms. Daiene Vernile: But in terms of bringing forward your concerns with administrators at Laurier—tell us about that.

Dr. Kimberly Ellis-Hale: Oh, they’re well aware of our concerns. We just finished a round of negotiations. All of the information that is in your brief that we’ve handed out is publicly available. Administration works, I think, to minimize costs. We represent less than 4% of total revenues.

I find it interesting that there is no university administration that has registered for any of these talks. I think they’re perfectly fine having a business model that is premised on precarious labour.

Ms. Daiene Vernile: Is there anything else you would like to add?

Dr. Anne-Marie Allison: No. I just think the exploitation of contract faculty in not just this city, Waterloo, but in the province and the country is a growing trend. I think that the universities need to become more transparent with how they deal with the dollars that they do get, because they are publicly funded institutions as well, and it’s not a fair workplace.

Ms. Daiene Vernile: We appreciate that you’re here today, and we’re listening to you. Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We’ll move to the official opposition: MPP Jones.

Ms. Sylvia Jones: Thank you. Anne-Marie?

Dr. Anne-Marie Allison: Yes.

Ms. Sylvia Jones: Thanks for your presentation. So, 10 years teaching mathematics?

Dr. Anne-Marie Allison: Yes.

Ms. Sylvia Jones: I don’t want numbers, but I’m curious: Is there a difference in that contract as you

acquire more knowledge and skills in terms of when you were a first-year teacher to when you are a 10th-year professor, or does the number stay the same?

1400

Dr. Anne-Marie Allison: I’m trying not to cry. We used to have what was called a seniority rate. We just had a recent round of negotiations to try to improve the salary that the contract faculty get. We’ve had basically a kind of a two-step seniority system, where if you had seniority in a couple of courses, enough seniority points, then you would get a slightly higher pay, which I think may have been \$200 more. It wasn’t very much of a difference.

Essentially no, there’s no difference right now in the pay that someone will get. A graduate student who’s teaching the course that I could teach will get the same pay that I will, or someone in our century club, which is described in your brief—someone who has taught over 100 courses, who may have been there for 20 years.

Ms. Sylvia Jones: A similar-type question: Someone who is teaching mathematics or someone who is teaching business law—again, is there a variable, is there a scale, or is it a very consistent number? “This is the course; this is the rate.”

Dr. Anne-Marie Allison: There’s a phrase we came up with: “A course is a course, of course, of course.” I think that’s right, translating that joke. You’re right: For contract faculty, it’s the same amount, no matter what the topic.

Ms. Sylvia Jones: This is not something that is unfamiliar in Ontario. Is it happening with colleagues in other jurisdictions, in other provinces?

Dr. Anne-Marie Allison: Yes, it is. It’s definitely happening in Ontario. It’s happening across this country. It’s happening in the United States. It’s actually much worse there. We teach 50% of the students. I think the stat is about 70% of the students in the States. We went to an OCUFA conference a year ago, which is also described at the end of the brief, on precarious labour in academia. We had speakers from around the world coming to speak about this. It’s, sadly, a trend.

Ms. Sylvia Jones: Thank you for your presentation.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The third party: MPP Sattler.

Ms. Peggy Sattler: Yes, thank you very much for your advocacy and for providing such a detailed brief with your recommendations.

One of the concerns that I’ve heard raised by contract faculty is that when they’re on this treadmill, trying to cobble together enough earnings to support themselves, it further disadvantages them from even applying for tenure-track positions because they can’t get those publications they need in order to be competitive to apply for full-time work. Is that your experience as well?

Dr. Kimberly Ellis-Hale: I actually have an example of that. I was working with a couple of other departments at the university. We were going to do some research into the ways in which students remember certain concepts. I had a couple of courses that we could run different situations in so we could compare the effects.

You may not know it, but contract faculty, at least at Laurier, can have their contracts cancelled a week before the course starts for a minimal fee. I had set up the department, had gotten our ethics approval, and I had the course taken away a week before Christmas.

It does affect our ability to do research in many cases when you don't know term to term whether you'll be working or not. Last September was my first September in 19 years that I didn't teach. I was unemployed for six months after 19 years at Laurier. Nobody called to say, "Look, I'm really sorry." Nobody called to say, "Wow, this is horrible." I was lost last September. That's when I gear up, that's when I get excited, and there was nothing. Not having any kind of secure income or employment has profound effects personally, on your health, on your career, on your profession. It is very difficult.

Ms. Peggy Sattler: When you say that the budget for contract faculty represents 4% of the revenues that are received by the institution, is that the justification that you get from the employer, that they can't afford to spend more than 4% of their budget to teach 50% of the undergraduate students?

Dr. Kimberly Ellis-Hale: I'm not really sure how much of a justification administration would give. It's sort of, "We're just going to negotiate this, and this is what the percentage ends up being." And those are public documents.

What I would like to point out is that from 2007-08 to 2011-12, there was between a 20% and 25% increase of students at Laurier. There was a 7% increase in full-time faculty, but there was a 44% increase in management.

I think that much of the explosion in management, and perhaps even the purchase of many capital assets, is being done on the backs of contract faculty. We are actually the ones that make the large salaries paid to our senior administrators happen.

Ms. Peggy Sattler: The current wording of the equal pay provisions of Bill 148, where it says "substantially the same": Can you again elaborate a little bit about why you feel that is inadequate to protect contract faculty?

Dr. Kimberly Ellis-Hale: If you look at a full-time faculty position, a regular position—I think it's in our collective agreement—it's 40% teaching, 40% research and 20% service. So that's their job.

What has happened is, people say, "Well, you might be doing the teaching part, but you're not doing the rest of it. You're not doing the research. You're not doing the service." If you do it on a pro rata basis, then we should be receiving the same kind of compensation, a complete compensation package, for teaching on a per-course basis.

There are new positions that are being developed. So you have your regular faculty, your professional teaching stream faculty. They're teaching more courses, with less research, but their compensation mirrors that of full-time. It is full-time regular stream. It's just us, the sessionals, the 12-week-by-12-week people, who really bear the brunt of all this.

Ms. Peggy Sattler: That's why it's so important to change that wording from "substantially the same" to "similar."

Then on the issue of the discontinuous contracts, is there a specific recommendation in this brief about language that you would like to see in Bill 148?

Dr. Kimberly Ellis-Hale: I'd like to defer that to OCUFA's submission; they do a better job. But I would like to—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission that you would like to send in, it needs to be to the Clerk by 5:30 on Friday, July 21. Thank you.

Dr. Kimberly Ellis-Hale: Thank you.

Dr. Anne-Marie Allison: Thank you.

MS. CARLY KUNTZ

The Vice-Chair (Ms. Ann Hoggarth): I call on the next presenter: Carly Kuntz. If you could identify yourself for the record, and then your five minutes will begin.

Ms. Carly Kuntz: Absolutely. My name is Carly Kuntz. I was sitting across from Daiene Vernile at a charity event about a month ago, and she mentioned this meeting. So thanks very much, Daiene, and thanks very much, everyone, for allowing me to speak with you today.

I'm the owner of the Waters, an urban spa retreat. We are a day spa in uptown Waterloo. Just to give you a sense of the business that I run, we've been in business for 10 years. We're a service business. We do manicures, pedicures, facials, massage and the like. We treat women, men, couples and groups. We're a resort-style spa in a downtown setting. What that means is we're at a very high level of service. We've got the facilities and the amenities that are more in tune with a spa you would go to at a luxury resort.

We're open seven days a week. Five of those nights are until 8 p.m. It's a lot of hours.

We've been voted the best spa in the city for the past nine years, and we also made the list of the top 25 spas in Canada in 2016.

I employ 25 staff, most of whom are full-time. These include skilled aestheticians and registered massage therapists. They also include less-skilled cleaning support staff, and reception staff who are trained on the job once they start working with us.

Personally, I have an MBA and a business marketing background. I do not do the treatments within my spa; I run the operations of the spa.

To give you a sense of my business financially, we're about a million-dollar business annually, and we treat about 9,000 local spa guests.

Also just to give you a sense of my business, because you may not be familiar with the back end of a spa—it seems so relaxing when you come in—we are one customer to one therapist the whole time they are in the spa. It's not like a restaurant where I've got one service

person treating four tables with four different customers, or a store where I've got one or two people with the whole retail store. It's one-on-one the entire time they're in, so you can assume that's a very high level of service. My wage expense cost is currently 60% of my gross income annually. That leaves me 40% for rent and everything else, including profit. My profit every year is around break-even. That's the cost of running a high-level-service spa in Ontario today.

1410

Bill 148 changes things a little bit for me. The main hot buttons for me are: the 10 personal emergency leave days per year with no doctor's note required, two of those being paid days; the second-highest hot button for me is the 48-hour notice to change a shift as I believe this needs to be more industry-specific; and the third is the rapidity of the minimum wage increase, the student wage amount, as well as the different wage that's provided to those who do earn tips as that doesn't seem to cover the spa industry at this time.

My number one area of concern is the proposed emergency leave days of 10 per year, plus the two paid leave days. This is a lot of days to be legitimately sick in any given year, unless there's some sort of drastic thing happening. Believe me when I say that my 25 employees will use those two extra paid days as extra holidays, if not the additional eight days as well, which are unpaid.

The worst part of this for me is that spa guests have booked maybe multiple months in advance. They are looking forward to this day: It's their birthday or it's their wedding party. If I have somebody call in sick one morning, I have to cancel usually a minimum of six people; call them up and say, "Hey, sorry. We can't do your service today. I'm really, really sorry." That's a lost income potential for my business of not doing that service. Not only that, I have to provide discounts to those people as compensation for the fact that I've canceled them last-minute. So a sick day in my industry is a really drastic thing for the reputation of my business. There's a lot of work that has to be done behind the scenes.

I've worked out the financial impact of this. If you have more questions about it, feel free to ask later. For me, the two paid leave days will cost me \$51,000 in a year in additional payroll and lost income. If my spa staff makes use of the additional eight days of unpaid leave, that's going to cost me another \$180,000 in potential lost income. Remember, that's out of \$1 million. That's \$230,000 lost out of \$1 million, or 23%, on top of my already 60% payroll. So you can see why this causes me a little bit of distress.

My recommendation there, or my request, is: Please give businesses a chance by allowing us to prove and minimize absences by requiring a doctor's note for sick days. Also, trust us to be compassionate with our hard-working employees and to understand when they need to take emergency and personal leave, and allow us to make those decisions on a case-by-case basis. Mandating those two extra days, whether they're emergency sick or

holiday days—whatever you'd like to call them—is completely unnecessary and will kill a business such as mine.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the first questioning, to the official opposition: MPP Harris.

Mr. Michael Harris: Thanks, Carly, for coming in today, and thank you for everything you do in our community, of course. I know you have additional programs that support women in a variety of different ways. I know you were cut off there, so was there anything that you didn't feel you got to that you'd like to share with the committee?

Ms. Carly Kuntz: Yes, thanks so much. The piece about the tipping: I know for servers right now who serve liquor, the minimum wage is a different amount. My staff will get anywhere from 10% to 20% on most of their treatments, so in one hour they could make an additional \$30 or \$40 on their treatment, yet their minimum wage level is going to remain the same. Keep in mind that I pay most of them above minimum wage already, but the more it increases and the more drastically it increases does affect my business. Due to the drastic rapidity of the increase—18 months and 32%—I cannot raise my prices 30%, nobody is going to pay \$120 for a pedicure. So I'm going to be dropping hours of that support staff. It's going to put a lot of pressure on the therapists to do the laundry and to help clean the toilets in between when I'm no longer going to be able to pay support staff to be there for the full opening hours of the spa.

Mr. Michael Harris: I know in the initial review of the changing workplaces, it was the committee's recommendation to continue on with the sick note at an employer's cost. Of course, the government ignored that suggestion and has gone the other way. I don't know if you want to elaborate any more, perhaps, on that specific issue in terms of—

Ms. Carly Kuntz: Sick days are interesting. Don't get me wrong, I have a fabulous team of women who work at the spa. It's all women at the moment. They are a wonderful group of ladies, and most of them are very trustworthy and have a high work ethic. But occasionally you get somebody who is new to the work world who doesn't have that work ethic, and they can often be sick on a Saturday or a Sunday, which is our busiest day in the spa. If there's not that doctor's note requirement, it's a lot easier to just call in sick, and it has just such massive repercussions on the other therapists who have to work that day to make up for it, or the reputation of the business, the clients who wanted to come in—just a major impact. Needing the note—and we don't require it the very first day someone is sick. In a year, we are quite lenient. But if it's a repetitive thing, then we're going to start asking for a note, and it does stop people from making those hungover sick days.

Mr. Michael Harris: Are there any other aspects of the bill that are of any concern to you in your business? Scheduling—I mean, you may have already touched on that, but anything else you'd like to share with the committee?

Ms. Carly Kuntz: Yes, it's the speed of increase of the minimum wage, too, for my support staff. My therapists, as I mentioned, already do much better than that. But for my support staff, who may still be students, who may still be in high school even, and very casual work—minimum wage was \$8 when I opened my business 10 years ago. It has already gone up 45%, and it has gone up fairly gradually. Now to go up another 32% in the next 18 months is—I can't catch up with that with pricing, so I have to cut hours. I have to make sure my wage expense of 60% doesn't go any higher, obviously, since I'm breaking even. And remember, I'm a successful spa business, so that's what it takes.

Mr. Michael Harris: Aside from some of these cost pressures, are there any other significant cost pressures that you're facing right now? Some have alluded to hydro as a major cost of surprise to them. Are there other aspects you're finding—

Ms. Carly Kuntz: My biggest hot button is wages. The biggest one for me is not even the minimum wage increase so much as it is the ability for people to take extra days off. As I said, if everybody makes use of those 10 extra days that they'll receive, that's \$230,000 of lost income off of my gross.

Mr. Michael Harris: Thank you so much for coming in today.

The Vice-Chair (Ms. Ann Hoggarth): Third party: MPP Sattler.

Ms. Peggy Sattler: Thank you for coming to share your experiences as a successful small business owner with the committee.

You focused your presentation very much on your concerns around the personal emergency leave provisions of the bill. Can you tell us what policies you currently have in place for employees who are sick?

Ms. Carly Kuntz: Sure, yes. Right now, the first two sick days we don't question—

Ms. Peggy Sattler: And they're paid?

Ms. Carly Kuntz: No, they're not paid, because we have 25 or fewer employees.

Ms. Peggy Sattler: Okay.

Ms. Carly Kuntz: The following ones we do ask for a doctor's note.

Ms. Peggy Sattler: What has been your experience with employees calling in sick? Has there been any sort of trend in terms of employees calling in sick on a regular or frequent basis?

Ms. Carly Kuntz: It depends on the employee. It completely depends on the employee. Just knowing that they need to go through the effort of having a doctor's note for a sick day after they've had a couple of sick days just prevents them from taking a sick day unless they're actually sick.

Ms. Peggy Sattler: Do you have any provisions in place for an employee who has experienced a personal emergency, like some kind of crisis at home? Perhaps a child care crisis or other?

Ms. Carly Kuntz: Yes. We're human. We're very kind human people, and if somebody has an emergency,

they tell us what the emergency is, and we say, "Oh, my goodness. Please take care of your emergency. How much time do you need? What can we do to help? Come back when you're ready. Let us know when you're ready." I mean, we make human choices based on the best interests of our employees. We go and clear their schedule for the next week if they've had something go on at home. We do this all the time, because we want our employees to be happy. We want them to know that we care. We want them to be happy when they come into work. I certainly don't want someone coming into work and seeing the public if they're stressed out about something that's going on at home.

Ms. Peggy Sattler: But you have significant concerns that you've shared today that employees will abuse the option or the availability of personal emergency leave and access it for hangovers or for issues that aren't really personal emergencies.

Ms. Carly Kuntz: Yes. If it's distributed to them as "everyone gets 10 days now, personal leave days, guaranteed, and two of them are going to be paid," there are going to be a lot more people taking that. When it leaves it sort of more ambiguous as, "We can make our own policies based on our business," human policies, then people understand.

1420

Ms. Peggy Sattler: But what makes you think that people are going to just take those days? What prior experience do you have that makes you believe that those days would be abused?

Ms. Carly Kuntz: I have a lot of staff members that are new to the work world—not a lot; a few. They haven't worked a few months, and they want to take time off for this and time off for that. Now if it's government law that they can, then they will—they will. Instead of following what I consider more of a traditional work ethic of putting your time in first—if it's a major emergency, yes, but sometimes you can tell if it's a major emergency or if it's not. I just think that the non-major emergencies might be taking advantage of it, and that's my concern.

Ms. Peggy Sattler: Okay. Thank you very much.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the government: MPP Vernile.

Ms. Daiene Vernile: Chair. Nice to see you, Carly. We had a very lovely evening making soup for a local charity called Soup Sisters. We chatted at length about your concerns about Bill 148, and I let you know that these hearings would be coming up, so I'm glad you got your name in and you were selected.

May I ask you how much you're paying your employees now?

Ms. Carly Kuntz: Yes. It completely varies. We have an interesting pay structure. Estheticians make an hourly plus a fee for service. The hourly has always been above minimum. Then they make a fee depending on what service they're doing. That's been a percentage of the pedicure or the facial or whatnot. Then there's their tips. Massage therapists just make a blanket dollar amount per treatment that they do.

So the estheticians now will have to be changing to—because their hourly is going to be seen as their minimum, we'll have to make that the minimum wage, unfortunately, and then they'll get a fee for service on top of that. But the fee-for-service amount is going to have to change.

Ms. Daiene Vernile: You've talked about how prescribed this is, one on one. Do you ever have walk-ins that come in?

Ms. Carly Kuntz: We do. Unfortunately, we can never treat them because we need to staff based on demand.

Ms. Daiene Vernile: MPP Sattler touched on something that piqued my interest, and I want to ask you this, too. Perhaps you can do a deeper dive into this. You have concerns that with the 10 sick days, two of which are paid, your employees may exploit this and take advantage of it. What leads you to think that that would happen?

Ms. Carly Kuntz: Everybody wants more time off and more money.

Ms. Daiene Vernile: But then you said you have wonderful employees and you trust them and—

Ms. Carly Kuntz: I do. I absolutely do. But for me, what I'm going to be doing with this, with the two paid—because my concern is when they're sick last-minute, the cancellations you have to do are so huge. So what I'm going to do is, basically, probably say, "Hey, everyone gets two more vacation days, but just let me know in advance," and that's going to cost me a lot less money. We'll do it that way.

And we already do tons of extra things for our employees. We really do try to make people happy. It's just knowing in advance. Sadly, the part that hurts me a little bit is that we can't shift up based on demand or shift down based on demand. But sick days can happen last-minute. I know that that's the nature of being sick and whatnot, but it is a challenge in our business.

Ms. Daiene Vernile: You said something interesting, and that is that as an employer, you want to be trusted to be compassionate. But do you recognize that there are employers in this province who perhaps might not be as compassionate as you, and they might be exploiting their employees?

Ms. Carly Kuntz: Absolutely, and I also recognize that industries are very different. Listening to the ladies talk about the universities—I totally agree, if you're working for a number of months. I'm talking about a day-by-day kind of demand, hospitality industry basis, and I totally understand that people might act differently. I just think we need to be able to have some flexibility and be a little bit industry-specific.

Ms. Daiene Vernile: The last question I have for you is somewhat philosophical, and I don't know if we touched on this that night that we were volunteering and having our dinner. You know that 30% of people in Ontario who are working are earning under \$15 an hour. That's below the poverty line. As a person who lives in this community, reflect on that if you can for me. So one

third of the people in this province are living below the poverty line. Do we need to be concerned about that?

Ms. Carly Kuntz: Sure, sure we do, and I'd like to look at who is that one third of people? Is that one third of people high school students who are still living at home? How much of a percentage is that of that third?

Ms. Daiene Vernile: I can give you the stats on that. It's 24 to 64. The demographics tend to be predominantly women and immigrants. You see a misrepresentation there.

So we're not talking about high school students who have a part-time job, who are saving up to buy a drum set or an iPod. These are grown-ups who are trying to pay the rent and put food on the table and raise their kids. That's the situation that we're in right now. They're cobbling together two and three jobs, just to stay afloat.

Ms. Carly Kuntz: Sure, absolutely. With entry-level positions and zero skill requirements to get in, maybe it's a different situation than if somebody does come in with any skills or if it's a higher-level position.

As I said, the people whom I have ever paid minimum wage in the past have been very few and far between. It's usually high school students who are helping with laundry behind the scenes, to get a foot in the door. Then I've hired those people full-time at much greater wages, after they've moved to a different position.

Ms. Daiene Vernile: I thank you very much for coming in today. I'm glad you had the chance.

Ms. Carly Kuntz: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. The deadline to send in a written submission to the Clerk of the Committee is 5:30 p.m. on Friday, July 21.

Ms. Carly Kuntz: Thank you.

MR. CHUCK McMULLAN

The Vice-Chair (Ms. Ann Hoggarth): I call the next presenter: Chuck McMullan. Do you have a submission, sir?

Mr. Chuck McMullan: No, I do not.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. If you would identify yourself for the official record, and then your five minutes will begin.

Mr. Chuck McMullan: My name is Chuck McMullan. I am a lifelong employee in the hospitality industry here in Ontario. Most recently, I'm a seven-year owner-operator of a licensed restaurant here in Kitchener-Waterloo. I would probably typify it as a pretty average facility. It's 163 seats. It caters to a middle-income customer base. It employs approximately 24 people.

My reason for being here is the objection to Bill 148.

Out of the 24 employees that I have, 10 are absolutely minimum wage earners. In general, they are gratuitous staff members; in other words, they collect gratuities as part of their job. Twenty-two of those 24 employees are below \$15 an hour.

The increased hourly rate at McMullan's is generally used to reflect merit, experience, responsibility and

longevity. By putting everyone at the exact same rate, it really destroys that ability to manage your employees to be better.

Bill 148 for my particular facility, without calculating sick days, is going to add a \$106,000 expense to my bottom line. That will effectively wipe out the whole justification for having that business. It's going to put me in a deficit position, and there will be no reason to continue. The thing is, the increase in the hourly rate is going to add 6.7% of expenses to my business, as an average business in Ontario, when, according to Restaurants Canada, the average profit in a restaurant in Ontario is 3.4%.

In order for us to recapture the additional expenses and re-establish a justification for being in business, it is going to automatically equate to a price increase, and elimination of some benefits, the few that we do have.

While I applaud the efforts to improve the lives of minimum wage earners, the restaurant industry has already been doing that for years and is not recognized by the government. Most restaurants in Ontario have some type of incentive program of gratuity-sharing, where gratuitous employees contribute to a pot of money that's distributed amongst non-gratuitous staff members, in order to try to provide an incentive for everybody to work together to produce a better product, to make the customers happy, and ultimately everybody benefits.

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Bill 148 does not recognize that income and it has not been calculated in establishing the \$15 rate. While my employees in general make minimum wage, the back-of-the-house staff members have upwards of \$2 an hour added to their hourly rate every week for every hour worked.

There are 17,000 licensed facilities in Ontario where workers collect gratuities as part of their job. Bill 148 gives a \$5 raise to workers who already make, on average, \$37 an hour. They make more money than you do, and you're giving them a \$5-an-hour wage increase.

I won't be the only loser in the passing of Bill 148, from the perspective that in 2016, between corporate tax, HST, income tax and liquor tax, I contributed \$402,000 in tax revenue to the government. You're going to lose all of that. Now, maybe that isn't important to you; I don't know. All I can tell you is, additional investigation—

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir. The time is up.

Mr. Chuck McMullan: Sure.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the third party for the first round of questioning: MPP Sattler.

Ms. Peggy Sattler: Thank you very much for joining us today, and for sharing your experience as a licensed restaurant owner. You were in the middle of your sentence when your time was up. I wondered if you wanted to complete your thought.

Mr. Chuck McMullan: No, it's fine.

Ms. Peggy Sattler: Okay. How many years have you been in business?

Mr. Chuck McMullan: At this particular location, it will be seven years in October, although I have been in the industry my entire life. I've already lost one restaurant to government-sponsored LRT construction in Waterloo. I'm holding on to this one for the time being.

Ms. Peggy Sattler: Can you give us a sense of who these 24 employees are?

Mr. Chuck McMullan: Starting at not necessarily the bottom of the pile, I employ one high school student who earns \$11.40 an hour plus a \$2 gratuity contribution on his payroll. I have one university student who gets \$12 an hour and gets a \$2-an-hour contribution from gratuities. I have three brand new employees who have been started at \$12.50 an hour, and within three months will have a higher rate depending upon how well they perform during those three months. The remaining kitchen staff members are in the vicinity of \$14 to \$14.50 an hour, plus \$2 gratuity added to their payroll. All the rest, other than management, earn the minimum wage of gratuity servers: \$9.80 an hour.

Ms. Peggy Sattler: Do your staff stay with you for a long period of time, or do you see a lot of turnover in your workforce?

Mr. Chuck McMullan: In my existing situation, we're seeing an awful lot of turnover. However, I have had employees who have worked for me in excess of five, six, seven, eight and nine years, consecutive.

Ms. Peggy Sattler: You talked about the amount of taxes that you have remitted to the government. We have heard from other businesses about other cost pressures that they face that are unrelated to labour. That is a big part of it, but there are other cost pressures facing business. Can you tell us a little bit about those? We're interested in knowing if there's an opportunity to help relieve some of the burden on business.

Mr. Chuck McMullan: Restaurants in general are high electricity users. As you know, everything has to be either heated or refrigerated. As a result our hydro bill, on average, is \$3,000 a month. It's one third my rent.

Ms. Peggy Sattler: Has that been increasing—

Mr. Chuck McMullan: Oh, yes. It's easily doubled within the last three years.

Ms. Peggy Sattler: And do you have any confidence that it's going to—

Mr. Chuck McMullan: No. No.

Ms. Peggy Sattler: Okay.

Mr. Chuck McMullan: Just recently they've made changes to the Excise Tax Act applicable to alcohol. The price of alcohol is increasing disproportionately. And with the LRT construction, every single landowner in Kitchener-Waterloo now feels that their property is worth more, so as soon as your lease comes up you're looking at a ridiculous rent increase to justify. The \$15 minimum wage, liquor liability by itself—sure.

Ms. Peggy Sattler: So the combination of all of these things has really made it more difficult for you to operate your business.

Mr. Chuck McMullan: No question.

Ms. Peggy Sattler: Okay. Thank you for coming today. I appreciate it.

Mr. Chuck McMullan: You're welcome.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the government: MPP Colle.

Mr. Mike Colle: Thank you very much, Mr. McMullan, for your very sound, thoughtful and well-experienced presentation. You've experienced this reality first-hand for how many years?

Mr. Chuck McMullan: In this location, seven. In general—how old am I?—42.

Mr. Mike Colle: Some 42 years?

Mr. Chuck McMullan: Yes, in the restaurant business.

Mr. Mike Colle: So we can certainly pay attention to some of your concerns and some of your suggestions. I'm just interested in this gratuity contribution that you use. Are you suggesting that maybe in looking at this minimum wage increase, that should be factored in?

Mr. Chuck McMullan: Well, up until now, with gratuity employees and regular minimum wage employees, there's always been a separate rate to recognize the fact that they capture additional income as part of their job. That's what I would imagine was the motivation for it originally. However, I know in the working papers that they plan on eliminating the gratuity rate and the rate for high school students. So effectively, instead of \$9.80 an hour you're now going to be making \$15 an hour.

Ms. Daïene Vernile: No, not the high school students.

Mr. Chuck McMullan: Well, in the working paper that's not how it's worded.

Mr. Mike Colle: Yes, that was the working paper, not in the bill. Do you have a written presentation?

Mr. Chuck McMullan: No.

Mr. Mike Colle: If you could, at your convenience, forward some thoughts on that—

Mr. Chuck McMullan: Statistics?

Mr. Mike Colle: No, I just want your suggestions on the challenges with that type of worker and the gratuity contribution program that you have in your workplace. I would like to get that in writing. Could you just forward it to the committee Clerk? I'd like to get it, as I've said, in your own writing. It doesn't have to be a long dissertation, but just focusing on that, because I think that's a very interesting and critical aspect of this change that we need to look at, especially because there are other restaurant owners like yourself that are going to be in the same predicament. So I think it would be most helpful for you to bring that forward.

And just another thing: I know you mentioned a whole other list of expenses, like the new excise tax on alcohol. I know the minister of small business, Minister Leal, has been meeting with people from all of the different sectors trying to find ways of perhaps helping them transition through this. One of the things I know I talked to him about is, are there any things that we need to look at, whether it's with the liquor control rules, the taxation that is imposed by the provincial government or through the LLBO or whatever—any other suggestions that you have which might ease the burden on restaurant and bar owners like yourself?

Mr. Chuck McMullan: That one is extremely easy. We actually pay more for alcohol than you do. What's with that? A basic concept of business is that the more you buy the less it should cost you. Except that doesn't work in the liquor industry. In the liquor industry the more you buy, the more you pay. It would certainly be beneficial if there was a different price structure for licensed facilities that are resellers of alcohol and—

Mr. Mike Colle: That are resellers?

Mr. Chuck McMullan: Of alcohol. For lower taxation, because it's just taxation. They apply different taxes that result in us—licensed facilities—paying more than what you can buy at yourself.

Mr. Mike Colle: Yes, and I'll pass this on. That's an excellent—I'll certainly bring that forward.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile?

Ms. Daïene Vernile: Chuck, I don't have a question for you, I just want to say that you came to see me in my constituency office and we had a good chat, and I let you know about this committee coming to Kitchener-Waterloo. I'm glad you got your name on the list and that you're here today sharing your lived experiences. Thank you very much.

Mr. Chuck McMullan: You're welcome.

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The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the official opposition. MPP Harris.

Mr. Michael Harris: Thank you. I guess Mike's working on an amendment already for your liquor tax problem.

Nonetheless, you talked about a \$106,000 hit. Was that just for the two extra days? Is that—

Mr. Chuck McMullan: No. That doesn't even factor in the two extra sick days. It's funny that you talked about whether existing employees take advantage of sick days. The frequency of sick days on long weekends and Fridays is amazing.

Mr. Michael Harris: Yes, I suppose.

I'm assuming you have accounted in your prices for—that \$106,000: What did you say that was for?

Mr. Chuck McMullan: That's strictly that if I take my existing payroll, apply the new minimum wage, and maintain some kind of a system that reflects experience, responsibility and merit, my payroll is going to go up \$106,000.

Mr. Michael Harris: Right. So you've factored that into your prices, I suppose, to pay for this?

Mr. Chuck McMullan: It's funny. Last September, I put through a 25-cent increase on the cost of a pint of beer. Twelve of my customers boycotted my restaurant.

Mr. Michael Harris: Really?

Mr. Chuck McMullan: Over 25 cents. With this, effectively, you're looking at an across-the-board 15% increase in the selling price of my products before I see the impact on my other suppliers—warehouses, drivers. Who knows how other businesses are going to address this issue? I know they're going to be in the same spot.

Mr. Michael Harris: How do you plan on addressing it?

Mr. Chuck McMullan: Right off the bat, we don't charge staff members for meals. That benefit goes right out the window. We give out a Christmas bonus every year to people. That goes out the window. We actually sponsor, or copay, educational programs for our staff members that are applicable in the workplace. That one goes out the window. Add a price increase, and you're going to be looking at a lot of restaurants where the level of service is not what you would have liked.

Mr. Michael Harris: I read, back in January, a CBC article that captured Premier Kathleen Wynne's comments when asked about increasing the minimum wage to \$15. She said no at the time and, of course, we need to depoliticize minimum wage increases.

Fast-forward about five months, and now we see an increase that was, frankly, out of the scope of the initial review altogether. Actually, the panel didn't allow folks who were providing feedback on discussing that very issue.

Why do you think she has changed her mind in this?

Mr. Chuck McMullan: Oh, no one's naive about that. It's an opportunity to get elected again. I don't know.

Mr. Michael Harris: Anything else you'd like to add?

Mr. Chuck McMullan: Isn't that enough?

Mr. Michael Harris: I suppose. Thank you for your time.

Mr. Chuck McMullan: You're welcome.

The Vice-Chair (Ms. Ann Hoggarth): If you have a written submission, it needs to be in to the Clerk by 5:30 p.m. on Friday, July 21. Thank you, sir.

Mr. Chuck McMullan: Sure.

LITTLE SHORT STOP STORES

The Vice-Chair (Ms. Ann Hoggarth): The next presenter is Little Short Stop Stores. Do you have anything to distribute, sir?

Mr. Jamie Arnold: Yes. However, I did miscalculate on the number of people, so they'll have to share.

The Vice-Chair (Ms. Ann Hoggarth): Would you please state your name for the official record, and your five minutes will start.

Mr. Jamie Arnold: My name is Jamie Arnold, and I'm president of Little Short Stop Stores. I'm very pleased to be here today to comment on Bill 148, and I thank you for your time and attention.

Little Short Stop Stores is a third-generation, family-owned chain of convenience stores in the Kitchener-Waterloo, Guelph and Cambridge area. We've been in the convenience business for almost 50 years. We operate 20 stores and have over 230 employees, many of whom have been with the company for a very long time. We are truly a family. We belong to our communities that we serve, and we have loyal, long-time customers who view our stores as vital to the social fabric of their neighbourhoods.

I have thoroughly read through and reviewed the summary of the Changing Workplaces Review. The review states that most sections of the Employment Standards Act and the Labour Relations Act were under review but not minimum wage. So I question what research was conducted by this government on the economic impact of a 32% increase in minimum wage.

I am not here to debate what the minimum wage should be, and we are not opposed to a minimum wage reaching \$15. I ask, however, what would you do if you found out that your mortgage was going to increase 32% over the next 18 months? Your income hasn't changed, most other expenses are increasing roughly with inflation, yet your single biggest expense is going to skyrocket. I suspect most people would lose their home. Well, my mortgage is about to increase \$1.5 million in the form of payroll costs.

I am here to tell you what we propose to do should this wage hike come into effect. None of the measures that I am about to articulate will create better jobs—or any jobs for that matter. In fact, it has paralyzed our business, preventing us from reinvesting in our stores or opening new stores. It has had the direct opposite impact.

Step one: We will cut hours in our stores. Cutting hours is not creating jobs; cutting hours is cutting people. The first hours that will be cut will be our 24-hour shifts. Secondly, we'll be forced to automate. I don't want to automate. We are a customer-service-oriented business; our strength is our people.

Next is health benefits. We have a benefit plan that covers dental, drugs and health benefits that insures about 150 people as we speak. We simply cannot afford this benefit plan.

Finally, we will close stores. Some of our stores will not be viable given the 32% increase in wages.

How can the Ontario government help us to survive in this environment? In Premier Wynne's announcement, she promised assistance to small business. She said, "We will work with those small businesses on main streets across Ontario from now until January 1 to make sure that they are supported as these changes come into effect." I have not heard what this support will be, so here is what I am looking for:

First, if we are going to a \$15 minimum wage, give us more time to get there. Eighteen months is dramatic and crushing. We believe a fair solution would be to continue the inflation-adjusted increases, perhaps at an accelerated rate.

Second is lottery commissions. The convenience store industry provides over \$3.3 billion in lottery revenue to the province. The commission rate on lottery products has not changed since its inception. Therefore, we'd like to see an increase on the rate of commission for all lottery products. We need an increase of 30%. In order to serve our customers with lottery tickets, we are required by provincial law to verify age, which we take very seriously. Thus, this process cannot be streamlined or simplified through automation. Therefore, the related costs associated with minimum wage increases should be

borne by the government through higher commission rates on lottery.

Third is a fair and balanced distribution of beer and wine retail sales. Today, retail distribution of beer and wine is anti-competitive and favours large corporations at the expense of small business. We propose the government expand beer and wine retail sales to convenience stores province-wide.

Fourth: Legalize marijuana sales. There has been much speculation on how the federal government intends to allow legal marijuana sales. A fair distribution model for packaged marijuana sales in Ontario should include convenience stores, given our successful age verification programs.

Finally, the government must take action against unfair contraband tobacco. At present, contraband tobacco accounts for approximately 35% of cigarettes consumed in Ontario, versus 8% in Quebec. As a result, this costs the Ontario government \$1.2 billion per year in lost taxes, encourages organized crime and, more importantly to us, eliminates visits to our stores—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Time is up for your presentation. We'll move to the government for the first round of questioning. MPP Cole?

Mr. Mike Colle: I appreciated your very in-depth presentation. I also appreciated your very concrete suggestions in the second part of your presentation. I guess what the Premier has said, and what we're doing, is we are going out across the province early on in the process, because usually these hearings occur much further down the road, but we've put it up front to get your feedback and suggestions.

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Right now, we are actively looking at those types of suggestions. I will make sure that the very interesting ideas that you've put forward, which are not—the only one I haven't seen before, I guess, is the one about the marijuana sales. But all provinces will be forced to deal with this in the next year, so that will be coming up. I'm sure that would be another opportunity to visit that because, as you know, there have been different ideas of how to distribute it.

But I just want to say that I think that the ideas that you did bring forward are real, and we'll make sure that they will get due consideration. Some of them are already under consideration. Especially, I want to say, the one about the lottery commission seems very unfair at first blush, that there has been no increase. I know the responsibility you have on that front.

Also, the whole issue about beer and wine sales, that has been around, but again I know there's still a lot of work to be done to make sure there's equitable distribution of beer and wine sales, because right now it's, you might say, top-heavy, to say the least.

Mr. Jamie Arnold: It's very unfair, actually.

Mr. Mike Colle: Again, the other thing that I think is something that has been a real challenge in Ontario and other places is the contraband. It is just awful that it's still going on at the rate it is.

Again, I just wanted to thank you for the very concrete suggestions, and we will bring them forward.

The member from Davenport wants to make a suggestion.

The Vice-Chair (Ms. Ann Hoggarth): MPP Martins.

Mrs. Cristina Martins: Thank you, Chair, for recognizing me, and thank you so much, Mr. Arnold, for being here and for your deputation today.

You said something that made me think about something that was said earlier this week and I believe last week as well. You said that with the increase in minimum wage you probably might have to get rid of that 24-hour shift, which leads me to think that you would then be creating full-time jobs. Would you not think that having higher-paid full-time jobs in this province is a good thing?

Mr. Jamie Arnold: I'm not opposed to higher-paying jobs. My only objection is how we get there and the speed with which we get there. The people who work on our 24-hour shifts are full-time people and they earn over the rate of minimum wage at this point.

The issue is how we get to that point that we need to get to. I think we need to work together on getting there.

Mrs. Cristina Martins: Thank you very much. To my colleague Mike Colle's point, that's exactly why we're travelling with this bill, to get that type of feedback. Thank you so much.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: How much time do we have, Chair?

The Vice-Chair (Ms. Ann Hoggarth): One minute.

Ms. Daiene Vernile: Jamie, thank you very much for coming in and for offering not only your comments on how this is impacting you, but you came with solutions, and that's very constructive for us.

MPP Colle asked you about the lottery commissions. We've got people in the room here that—you might have piqued their interest. Can you tell us how it works right now and what you'd like to see, in some detail?

Mr. Jamie Arnold: Okay. For our online ticket sales, we earn approximately 5%. On our passive tickets, which are the scratch, we're somewhere around 7% or 8%. We see that just a percentage increase in both of those, which would equate to around 30%, would be beneficial in helping us pay for the increases in minimum wage. It would be easy for the government to do it. We provide \$3.3 billion in lottery revenue to the government. They should give it to us. The convenience store industry is responsible for about 70% of the sales of lottery tickets in Ontario. It's all age-verified. Again, we take that very seriously.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the official opposition: MPP Jones.

Ms. Sylvia Jones: Thank you. I appreciate your presentation, Mr. Arnold. You've obviously put a lot of thought into this. I'm guessing that you've been tracking much of the media discussion that has happened. A couple of weeks ago, there was a poll that came out that said something like 60% of the individuals who earn minimum wage are concerned about this legislation

because they see, or they believe, that it's going to lead to some of the layoffs and changes that you're articulating in your presentation.

I'm curious as to if you've had those types of discussions. Are you hearing that kind of thing from your employees?

Mr. Jamie Arnold: I have heard that. I get lots of questions as to what we are going to do. We've talked about the solutions, which I've outlined in this presentation. I have to come up with \$1.5 million, and I don't really know how I'm going to do that.

Ms. Sylvia Jones: So you're being very transparent with your employees. You're prepping them and explaining that this is the cause and effect.

Mr. Jamie Arnold: Yes. In fact, I had the discussion with my employees before this even came forward: "I want to pay you more money, but we need to do a better job at what we're selling and how we're selling in our stores."

Our strength is our customer service, our one-on-one services that we provide. That's our strength, and that's where we can do better than other people. And we've been trying to do that.

Ms. Sylvia Jones: Before Bill 148 received first reading in the first part of June, did you have any inkling that these were the kinds of changes that the government was considering?

Mr. Jamie Arnold: None. Our industry spearheaded the sort of agreement with the government that we would proceed with an orderly increase in the minimum wage, based on that it would be announced in April and we would increase in October. We were fine with doing that, and we're still fine with doing that. If we want to increase the rate that we do that, that would be better than going up 32% in 18 months. I mean, if we can get to that \$15 an hour that we need to get to, in a reasonable way so that we can keep jobs, let's do it.

Ms. Sylvia Jones: Would it be fair to say you don't believe that the government operated in a transparent manner in dealing with your industry and sharing their plans for the changing workplaces and the proposals that are in Bill 148?

Mr. Jamie Arnold: We were pretty much blindsided by that announcement, yes.

The Vice-Chair (Ms. Ann Hoggarth): You're done? Okay.

The third party: MPP Sattler.

Ms. Peggy Sattler: Thank you very much for attending today and also for bringing forward these concrete policy suggestions as to how to help your business transition to this increased minimum wage.

Are you speaking only from your perspective, as from Little Short Stop Stores, or are these policy suggestions that have been developed through your industry association?

Mr. Jamie Arnold: I am speaking only for my stores, my company, but they are industry-wide suggestions.

Ms. Peggy Sattler: Okay. The Ontario Convenience Stores Association has endorsed each of these five policy suggestions?

Mr. Jamie Arnold: I can't say exactly if they've endorsed all of them, but they are behind some of them, yes.

Ms. Peggy Sattler: Okay. With your own employees—you have 28 stores and 230 employees. Do you have a lot of turnover in your workforce? Are all of these employees paid at minimum wage? Can you just tell us a little bit more about your workforce?

Mr. Jamie Arnold: Approximately 60% of our workforce is at minimum wage. The turnover depends on the location of the store. We have some locations that are near universities, for instance, and the students go home for the summer, so they leave the job. That sort of turnover happens. But we also have a lot of long-term employees who have been with us 20 or 25 years. So it's a mixed bag, store by store, as to what the turnover rates are.

Ms. Peggy Sattler: One of the issues that were flagged during the Changing Workplaces Review was the fact that there are people who are holding multiple jobs in order to earn enough to support themselves and their families. Do you have any sense of how many of your 230 employees might be combining work at Little Short Stop Stores with employment with another employer?

Mr. Jamie Arnold: No, I couldn't say for sure. I don't know exactly what the situation is for each employee.

Ms. Peggy Sattler: Right. Yes, of course. Okay.

Mr. Jamie Arnold: And that may continue, even if the rate goes up to \$15. There's no saying that it doesn't, right? I'm not opposed to it getting up there, like I said. That's an individual decision, I would think.

1500

Ms. Peggy Sattler: This suggestion that people have asked you for more details about the lottery commissions, this \$3.3 billion in lottery revenue that is generated across the system from all convenience—

Mr. Jamie Arnold: Right, from the convenience store industry.

Ms. Peggy Sattler: Yes, from the convenience store industry. For your own chain of stores, how much of your revenues does that—

Mr. Jamie Arnold: It's about a third of our revenue.

Ms. Peggy Sattler: About a third of your total revenue is generated by lottery commissions?

Mr. Jamie Arnold: Yes.

Ms. Peggy Sattler: Wow. Okay. So that would make—

Mr. Jamie Arnold: A significant difference.

Ms. Peggy Sattler: A very modest increase in the commissions would really—

Mr. Jamie Arnold: Would help.

Ms. Peggy Sattler: Okay. I think that's all the questions I had. Thank you very much for coming today.

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, it needs to be to the Clerk of the Committee by 5:30 on Friday, July 21. Thank you, sir.

Mr. Jamie Arnold: Thank you.

EAST SIDE MARIO'S

Ms. Ann Hoggarth: I'd like to call on East Side Mario's. Do you have a submission, sir?

Mr. Don Hughes: No, I don't.

The Vice-Chair (Ms. Ann Hoggarth): Okay. If you would state your name for the official record, then your five-minute presentation will begin.

Mr. Don Hughes: Thank you for allowing me to talk today. My name is Don Hughes, owner-operator of an East Side Mario's. I've been in the business for 37 years: student entry worker, manager, regional manager for 12 years, and then in 2010 I became an owner of a restaurant. I employ 35 to 40 employees. I present before you confident that what I tell you is not candy-coated or exaggerated but what I believe to be the actual facts and stats.

When we do the math, just on the employees, not including managers, supervisors or benefits, multiplying our total number of hours by \$3.60, that well-known 32% increase, our variable labour goes from 22% to 28.1%. Just in variable labour alone, our increase to the bottom line is 6.1%. The increase on January 1 works out to 5%. Adding additional expenses—the two paid emergency days; the changes to the three-hour rule, which is unreasonable in our industry regarding reservations; stat holiday calculations; increase in vacation after five years; EHT and WSIB expenses added to payroll—we know that Bill 148 will have a cascading effect on management, supervisors, suppliers, trades, utilities and cost of sales. It's more than fair to say, let's add another 2%. So now we're at 8.1%. This is a really serious—it's scary.

The average restaurant in Canada's profit is 3.4%. That's a 4.7% loss to average. So half the restaurants in Ontario potentially are going to go out of business. But we want to survive. You have given us 48 months—too fast, too soon, too much, not fair. What are we to do?

Dramatic price increases as high as 25% to 30% would be required to meet today's profits. Really, that percentage is not an option. Guest counts would just drop. But the prices will go up. Menu engineering to simplify production in our kitchens will reduce hours. The industry will turn to automation and technology, eliminating jobs. You've all heard it: fewer jobs, fewer hours, fewer employees. And you're starting to see it: kiosks, self-checkout, iPad ordering. Being a seasoned restaurateur, I feel sad.

At stake is the human face of retailing and service, hospitality as we know it: the human connection, the laughter, the team camaraderie, the youth—ah yes, the youth. Did you know that 22% of Canadians get their very first job in the food service industry? In every restaurant industry report, both in Canada and the US, that I have read, a significant increase in minimum wage will discourage creating jobs, specifically for university students, high school students and newcomers to Ontario looking for their first jobs.

A minimum wage should be a wage where business owners can create entry-level jobs that lead to higher

wages, and a ground for our youth to gain work experience, not a living wage.

The industry will have a pool of experienced, full-time restaurant workers to hire, and the youth will be left out. It is only good business sense to hire experienced, trained, productive restaurant workers now.

The industry is asking for an economic impact study. You need more time; we need more time. Perhaps a restaurant task force, understanding our business model, understanding the massive discrepancy in wages between gratuitied employees and kitchen employees—maybe adopting the US concept, paying gratuitied employees half the minimum wage and electronically tracking tips and topping off wages so that they do meet the minimum wage—don't worry, they'll make way more—or at least freezing them for now.

The industry will have to drastically cut back on charities, donations, community sponsorships, and youth and senior programs. The money is just not there. Today in Canada, the restaurant business donates \$300 million to charities.

Government help with payroll credits and subsidies: Clearly, the government is making more money on source deductions—no changes to the tax code. The industry has been asking for an alcohol beverage markup fee reduction. We pay more than the consumer.

Finally, the last option, and it's sad to say: Put a “closed for business” sign on your door. This will happen. I understand that the restaurant business ranks number one in business closures in Ontario and Canada already. Remember, not only the employees lose their jobs. So does that entrepreneur who took a risk, took a loan, created jobs, sparked the economy, worked long, tireless hours, and in many cases made less than \$31,000 a year.

In conclusion, I sincerely thank the standing committee for listening to me and the many others who have taken the time to experience the democratic process.

I trust that you will work diligently on all the arguments. Take your time, and lots of it.

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir.

Mr. Don Hughes: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): We'll start this round—

Interjections.

The Vice-Chair (Ms. Ann Hoggarth): Order. As I stated at the beginning, that is not appropriate. This is an extension of the Legislature.

Sir, we'll start the round of questioning with the official opposition. MPP Harris.

Mr. Michael Harris: Thanks, Donny, for coming in today. You can tell, obviously, as a guy who started out in the industry and now is an owner, those personal relationships with your staff are so integral to each and every day.

There are a lot of questions I'm sure I could ask. I would say the first one is that the industry—although it likely had been consulted on the Changing Workplaces

Review, there were aspects of the review that were not being reviewed. They were beyond the scope, including, I think, the major one that we're hearing a lot about today, and that is the increases to the minimum wage—all three levels of the minimum wage, in fact.

Would you concur that the industry was likely blindsided by the addition of that measure in the bill?

Mr. Don Hughes: Absolutely; totally blindsided. In my understanding, and I'm not an economist, but in 2014 we had a management advisory panel that said that 3% to 6% of the youth employment would decline for every 10%.

They said that we would look at the CPI, more so, to look at minimum wage. If I was reading those facts in 2014—absolutely, it was a slam.

Mr. Michael Harris: Are there any other aspects of the bill? You talk about the scheduling provision. Tell us how that directly impacts your business, going forward, with these new rules. How do you account for scheduling?

Mr. Don Hughes: The scheduling one is kind of frustrating. You've heard it before: We are a family, and employees—I guess I'm going to the other thing. They call in sick, but you know what? About 99% of the time, employees get someone else to work their shift, so it's not going to hurt the operation as much. But the employee who does call in is going to get paid now, and that's okay. We've got to fit it into our model; we've got to get it in our plan.

The scheduling aspect—we're a business of reservations. I'm right beside a university. We continually get groups of 20 and 30. Believe me, those are magic numbers. Those 20s will turn into sixes, and those 30s will turn into 12s. Yes, we'll have to call off team members more often than not. The front of the house, the server staff, they're no problem. They want to come in and make money. The kitchen team? We're going to call them off.

1510

Mr. Michael Harris: Donny, tell me: How do you plan on absorbing this increase come January 1? Have you thought about that yet?

Mr. Don Hughes: Yes. I mean, a lot of my presentation was like streamlining the menus. I work for a franchise, so I'm sure they're working hard in their boardrooms to do it. But, for sure, I have to cut back on sponsorships, which is very unfortunate. I do have to reduce my hours. We all have to work harder in the restaurant. I have to look at different systems of operations to reduce the hours. Yes. It's just too fast. I can't have all the answers when I'm given six months to give them all to you.

Mr. Michael Harris: I think a lot of the presenters today, and of course throughout the last two weeks, have talked about the pace at which this is being implemented. They're not opposed to eventually getting to the number; it's the pace at which it's being implemented.

The government talks a lot about, "We're here to listen and listen." We heard a lot of this being repeated

over and over again, about the duration and the pace at which this is being implemented, and pleading to phase this in over a more predictable period of time. Do you have any faith that the government will actually listen to people?

Mr. Don Hughes: Well, I'm sure hoping so because, honest, I'm in the boat that is less than 3.4%. I more than likely will not recover.

Mr. Michael Harris: Is there anything else you'd like to add, Don, that you feel you haven't got out?

Mr. Don Hughes: I'd like to go back to the gratuity employees, because I know I mentioned that and it's a US format. I'm not putting servers under the boat, as they say. I have two girls, my daughters, who work as servers. But, to save face, because I have so much passion and pride for the restaurant business, the government has got to realize that servers—and I love them to death—are making upwards, as you heard it earlier, of over \$30 an hour. It's about fairness. The kitchen team—and they all work hard, but we have to look at the tip pool, the way it works, the gratuities. As I said in my presentation, and they're definitely not going to do this, but you've got to freeze them right now to make it equal for all workers in the restaurant business.

Mr. Michael Harris: Thanks, Donny.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party: MPP Sattler.

Ms. Peggy Sattler: Thank you very much for your presentation and for your delivery. You kept us all riveted on what you had to say.

You mentioned that you have owned your East Side Mario's since 2010?

Mr. Don Hughes: That's correct.

Ms. Peggy Sattler: And you have about 35 to 40 employees. Are most of these employees students? I think you said you're located right beside the university.

Mr. Don Hughes: Yes. I believe I had it written down here: 66% are students.

Ms. Peggy Sattler: Do you see a lot of turnover in the staff you have in your restaurant?

Mr. Don Hughes: I think, in general, the restaurant industry sees a lot of turnover in what we call the back of the house, the kitchen, but less so in the front of the house.

Ms. Peggy Sattler: Oh, so less in the front of the house; more turnover in the back of the house?

Mr. Don Hughes: I would say yes.

Ms. Peggy Sattler: Is there any difference between front and back of the house in terms of who fills those positions? Is it 66% of students for both sides of the house?

Mr. Don Hughes: It's probably a little bit higher. I haven't got that exact number for you, but I would think that the back of the house may be 50%.

Ms. Peggy Sattler: One of the recommendations that you proposed was around the cost that licensed restaurants pay for alcohol. This is something I've learned today from the presenters who have come forward, that restaurants pay more than consumers for alcohol. So that

was one specific recommendation that you made that would help restaurants adjust, but can you just talk a little bit more about that issue and some of the other solutions you've brought forward today?

Mr. Don Hughes: The alcohol thing would fall pretty far down my list.

Ms. Peggy Sattler: Oh, okay.

Mr. Don Hughes: I think my thing is the minimum wage structure of the gratuity and the non-gratuity employees in the restaurant business.

Of course, for electricity, seven years ago I paid \$2,000 a month. I pay \$3,300 a month now.

Ms. Peggy Sattler: Wow.

Mr. Don Hughes: Yes. Expenses have gone up, but the greatest expense in the restaurant business is labour, and after labour is cost of sales. After that, we have about 35% left. These numbers I'm giving you aren't wrong. They're 3.4%. That's the average. So it's a really scary proposition when we know that this alone, just the increase, is costing us 8.1%.

Ms. Peggy Sattler: Thank you very much for coming today.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the government: MPP Colle.

Mr. Mike Colle: Thank you very much. I really felt your passion for your work, and that is something that I think we all clearly got in your presentation.

In terms of this gratuity situation, could you just explain to me again where you talked about the disparity between the hourly wages paid to employees and the ones that are front-line, that rely on the gratuity?

Mr. Don Hughes: We all go to restaurants. I'm a server. I take four tables. Some servers take five or six tables; let's just say four tables. A pretty average gratuity is \$5. They make more than \$5, but let's say \$5. That's \$20. I'm paying them today; I'm paying them \$9.90—so \$30.

The guy in the kitchen? Every person in my kitchen makes more than minimum wage. They are making more than minimum wage. They're making \$12, \$13 an hour and the server is making \$30. I'm not putting them under the bus; I'm trying to save the face of the restaurant industry by making us continue with profits. If they make a lot of money, kitchen people make a lot of money.

Right now, as you heard earlier, there's a tip pool system. Our tip pool system in our restaurant works out to about \$1.25 an hour more for each hour that a back-of-the-house employee works. On average, it probably moves them up more to the \$13, \$13.50 area.

Mr. Mike Colle: So what change would you recommend? I'm not saying you could legislate it specifically, but in terms of our perspective here about what we're looking at with the minimum wage, how could we manage that in terms of trying to deal with this inequity in a way that works in the business?

Mr. Don Hughes: Well, first of all, we need more time—that's number one. We need more time to work this out.

Mr. Mike Colle: Yes, because as you say, there are a lot of complexities here that won't have simple solutions. It just has to be worked out.

Mr. Don Hughes: Like I said, I support a gradual, measured and calculated increase to minimum wage that is tied to economic data rather than seeming arbitrary. There's time. Let us sort it out.

Mr. Mike Colle: I guess the economic data that we're trying to deal with—the fact is that there are growing numbers of people who want to work, as you know. These are the people who you employ, who want to work. We're finding more and more of them who cannot pay the rent, cannot pay for their food on the table, and they're workers. As a government, we're trying to find a way to try to help them. Some people say, "Well, forget it. Just increase social assistance." I think the majority of people are saying, "Well, no. These are people who want to work. Help them." I know that it is not easy to implement, because you're on the front line of this thing. But that is one of the realities that we're faced with, trying to find a way of helping these people who really want to work. You know; you've seen them come through your doors. These are not people who want to stay home.

Mr. Don Hughes: No. We'd like to create jobs and hire them.

Mr. Mike Colle: We need that.

The member from Davenport?

The Vice-Chair (Ms. Ann Hoggarth): MPP Martins, one minute.

Mrs. Cristina Martins: Thank you very much for being here today and for your very passionate deputation.

I just wanted to say something about the scheduling. You said that that would be quite an issue. I know that in the service industry it's often women and immigrants who actually hold a lot of those positions—you referred to some of those as entry-level positions—very marginalized people, oftentimes single moms who are having to deal with sick kids at home, or who are sick themselves. But because they don't have a paid sick day, they're having to go to work sick. You are in the service industry in a restaurant, so you're having sick people serve your clientele. Would you not think that you would want to provide at least some time to be able to have those people—

Mr. Don Hughes: Absolutely. I do not want them working. You know what? They're going to find somebody else to work. All I need is time to fit it in my budget, to figure it out. I know it's an added expense. I'm not saying it's wrong; I just need time.

1520

Mrs. Cristina Martins: Okay. These women and immigrants who work in the restaurant industry, a lot of them, like I said, in the service industry, are on minimum wage and oftentimes trying to juggle—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Thank you, sir. If you have a written submission, could you have it to the Clerk by 5:30 p.m. on July 21?

Mr. Don Hughes: Thank you very much.

MS. MARJORIE-ANN KNIGHT

The Vice-Chair (Ms. Ann Hoggarth): I'd like to call on Marjorie-Ann Knight.

The Acting Chair (Mrs. Cristina Martins): Thank you very much. Marjorie, you may begin. Please identify yourself for the record.

Ms. Marjorie-Ann Knight: Good afternoon. My name is Marjorie Knight. I moved here from Jamaica in 2001. My first degree was in social sciences from a Canadian university. Back in Jamaica, I worked in the hospitality industry as an executive manager with Sandals Resorts and also with Wyndham Kingston hotel as a front office manager—the premier business hotel in Kingston, Jamaica.

I came to the Waterloo region and was unable to find a job. I had “no Canadian experience,” I was told. My only option was to go to a temp agency, which I did. After being tested, I was assigned a job with a local company doing data entry for the minimum wage. Others at my job who were hired directly to the company made at least \$5 an hour more than I did. I worked doing a similar or the same job but for less money, for no benefits and no sick leave. I went to work when sick. Once, I had pneumonia and a fever of 104 and the doctor wanted to hospitalize me, but it's really no work, no pay, or no job at all. I had to go to work even when I was that sick.

Eventually the organization wanted to hire me, but they were unable to at first, as I had to work for a certain amount of time as a temp before they could hire me directly. Once they were able to, I actually had to go without pay for an entire month in order to facilitate the change of employer. As a single mom with two children, this meant problems meeting my bills. I often went hungry as I did not have enough for all of us and I had to make sure my children ate and were looked after with school. Eventually, I had a decent wage and benefits and was doing quite well—a house with a mortgage and a car.

After seven years with this company, they made us redundant and closed down the branch. Once again, I was searching for a job, fruitlessly. I ended up in the retail industry: minimum wage once again. After a short while, I realized I would be unable to meet my bills. A year of no heat and no electricity followed until, eventually, bankruptcy loomed. I lost my home, my car, became homeless with my children and ended up living in the Bridges shelter while working 40 plus hours at minimum wage, unable to find a place I could afford to rent and knowing that even when I worked overtime, I would not be paid for it. The person doing the payroll would just adjust my hours to reflect my “normal” hours because, if it was not approved prior to me working overtime, I would not be paid. Funny how they would insist you stayed later, but it was not previously approved, so I was working for free. Complaining and requesting fair treatment resulted in letters on your file, reduced shifts and subsequent financial problems. I could not afford, as a single mother, to lose any pay: no work, no pay. I broke

my ankle and ended up on welfare. I could not meet my bills and went back to work against doctors' orders. I had to survive.

My children now work. My daughter was offered a job as a superintendent of an apartment building, but she had to be an independent contractor to have this job. Why? It makes no sense. Misclassification of the job means no CPP and no EI. The employer downloaded all responsibility to her. But worse, even if she was a regular worker under the Employment Standards Act, she would be exempt from many of the protections. The exemptions need to go. We need a basic floor for all workers, regardless of occupation.

I believe in Bill 148. I'm disappointed it does not go further, but what it proposes is very important to the working poor. We need to be paid a decent wage. Fifteen dollars is not a magic bullet, but it gives a platform which will allow us to cover the bare basics of food and rent. If I cannot take care of my family, the cost will be on the taxpayers and the government, and will cost a lot more than paying me a decent wage.

Equal pay for equal jobs: This is only fair. The employer is using temp agencies to increase their bottom line by not paying appropriately for these positions. This must stop. There is a pay scale for each job, and it must be enforced rigorously.

After three months workers should be hired at the client company, as it is obvious that this is a needed position. It is only fair to be hired to the organization with the full benefits thereof. There needs to be also a cap of 20% of workers hired. Remember: Temp agency workers should be hired for just temporary assignments—not be put in perma-temp jobs.

Paid sick days: Two paid emergency days is awesome. This will alleviate a bit of the suffering. I wish it were more; we need at least seven paid days of sick leave. It could be a life-changer for those of us who go to work sick or send our kids to school sick because we have no other choice.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll begin this round of questioning with the third party: MPP Sattler.

Ms. Peggy Sattler: Thank you very much, Marjorie, for coming today and for sharing your personal experience. It's very, very enlightening, I think, for all of the MPPs to hear about the current Employment Standards Act—the gaps that have been created for workers like yourself.

You focused quite a bit of your presentation on your experience with a temp agency as a temporary worker, and you also had some recommendations about how you would like to see Bill 148 strengthened to provide further protections for temp workers. Can you tell us about the current provisions of the bill? I don't know if you've had an opportunity to analyze it in detail, but what's missing from the current provisions of Bill 148 to ensure that no other temp worker is treated the way that you were treated when you were working?

Ms. Marjorie-Ann Knight: I really think the language that is in the bill needs to be tightened up, for want

of a better word. I think that employers out there are very good about finding loopholes in our bills. When, for instance, you need to pay somebody the same—

Ms. Peggy Sattler: Yes, the equal pay—

Ms. Marjorie-Ann Knight: —as somebody with the same job there, it becomes a very interesting thing because they always seem to find a way to say, “Well, it’s not exactly the same.” So, the word “same” perhaps may become “similar” or “the same value of a job,” instead of just saying, “same job, same pay,” which just leaves it open for a loophole for them to find a way around that.

I think, for me, we need to go back and look at the wording that we have for these temp agencies and make sure that we set it up in such a way that they cannot do an end run around the intent of the law.

Ms. Peggy Sattler: Right. You talked about your experience when the employer that you were working for wanted to hire you and when you left the temp agency you were forced to work for a whole month without any salary while that transition was happening. Will Bill 148 address that issue? Do you know if that would prevent people from having to go through that?

Ms. Marjorie-Ann Knight: I sure hope so. I think it does. I think more than anything else it makes sure that people don’t end up being a temp for a year, or 10 years, as we heard today, or 20 years, but that it gives a timeline to say that people need to be able to be made permanent after a certain amount of time.

Ms. Peggy Sattler: Right.

Ms. Marjorie-Ann Knight: That in itself is very important.

Ms. Peggy Sattler: Right. And then you talked about your daughter who has been offered this job but she has to be an independent contractor. Do you have some recommendations about Bill 148 and how it could address your daughter’s situation?

Ms. Marjorie-Ann Knight: I find that the term “independent contractor” targets women of colour. It targets immigrants, it targets refugees, it targets young people who don’t know better—people who don’t understand the law, who don’t know what it means. The ramifications of being an independent worker mean that you pay your taxes, that you don’t get looked after at all under any circumstances by the person who is hiring. You’re responsible for everything. People don’t understand that. The people who are targeted in that way do not understand that: women, immigrants, young people.

1530

It needs to be stopped. The intent of an independent worker was for somebody who did painting; they did murals. They did specific jobs for a specific pay, and it was a contract. That’s what it was. It never meant that you were going to be a superintendent of a building and be an independent contractor. It makes no sense.

Ms. Peggy Sattler: So you’re very concerned about that exclusion—

Ms. Marjorie-Ann Knight: Extremely.

Ms. Peggy Sattler: —and the fact that that exemption remains in Bill 148.

Ms. Marjorie-Ann Knight: Extremely, yes.

Ms. Peggy Sattler: We heard this morning from the Workers’ Action Centre. They highlighted the courier industry as an example of where this is rampant. You talked about your daughter as a building superintendent. From your own experience, in what other sectors would this be an issue?

Ms. Marjorie-Ann Knight: You see it with pharmacy technicians.

Ms. Peggy Sattler: Pharmacy technicians? Okay.

Ms. Marjorie-Ann Knight: I know a gentleman who is a pharmacy technician. He’s an immigrant. He was made an independent contractor. He came in and was talking to me about his situation of three months of no pay and no way of getting it.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We’ll move to the government. MPP Vernile.

Ms. Daiene Vernile: Marjorie, I want to start by thanking you for coming here today and for telling us your personal story. You’ve faced a number of challenges in life, including being homeless. I think it’s very courageous for you to sit there and to tell us how the work experience has impacted you in your life, and your family.

Can I ask you, when you were doing the temp work, what kind of work you were doing?

Ms. Marjorie-Ann Knight: I ended up doing data entry.

Ms. Daiene Vernile: I would agree with you that if you’re doing the same work as somebody who is working full-time, you ought to have been paid the same. But you say it was \$5 less per hour?

Ms. Marjorie-Ann Knight: Yes.

Ms. Daiene Vernile: For how many years did you do that?

Ms. Marjorie-Ann Knight: I worked with that company for seven years. The data entry, I did for two.

Ms. Daiene Vernile: In the exact same work as other people, full-time workers.

Ms. Marjorie-Ann Knight: Yes.

Ms. Daiene Vernile: We are trying to strike a balance with Bill 148. I don’t know how long you’ve been sitting here, but did you get to hear some of the business people before you?

Ms. Marjorie-Ann Knight: I did.

Ms. Daiene Vernile: They have concerns about how this is going to impact them, paying workers \$15 an hour. How do you comment on that, when you hear their concerns, as somebody who has been on the other side?

Ms. Marjorie-Ann Knight: I’m not naive enough to believe that some businesses will not fail, because some will. But if you have a business that is predicated on paying somebody poverty wages, then there’s a problem.

I looked at that gentleman from Grosche who spoke about his business this morning—

Ms. Daiene Vernile: That was the gentleman this morning who says that he pays people a living wage and only has 10 employees but has always paid them well.

Ms. Marjorie-Ann Knight: Yes, and he has more than one location, and he manages to do this.

I'm wondering if it's the way people look at their business model. Maybe we need a shift in how we look at these things. I'm not an expert, but I do know that I can't live on \$11.40.

Ms. Daiene Vernile: And if you earned a few more dollars per hour, what would you do with that money?

Ms. Marjorie-Ann Knight: Oh my goodness. I could actually eat. I could buy vegetables and fruit. I remember I had a meltdown one day, because I was out with my kids and I couldn't even afford to buy them an ice cream cone. I could go out to some of the community events with my kids and my family and enjoy being a part of community.

It doesn't seem like much to some people, but for people like me and people who I work with, it means a lot. Two dollars more? Oh, my God.

Ms. Daiene Vernile: Thank you. I'll pass it over to Cristina.

The Vice-Chair (Ms. Ann Hoggarth): MPP Martins.

Mrs. Cristina Martins: Thank you so much, Ms. Knight, for being here and for your passionate deputation today, and for sharing such a personal story.

I wanted to touch on something I was speaking about to the previous presenter before you, which was this notion of employees going to work sick, and the fact that if you're in the service industry, you're at risk of contaminating the other employees but also passing on whatever it is that you have to the clientele, so you would have no clientele.

You would agree, then, that paid sick days is a good way to go? We're talking sick days on a personal level. But I'm sure that most of us around this table who have had small children, at one point or another, especially as a mom, have had to stay home because our child is sick, knowing that we can't juggle that because there isn't a paid sick day and we're trying to make ends meet. Can you just comment on that?

Ms. Marjorie-Ann Knight: I will tell you that my child came home from school with chicken pox one time and gave it to the entire house, because somebody took their sick child to school with chicken pox.

My friend Bonnie lost her job because her child had to be hospitalized for a week. If you take a child to hospital, you have to stay with them, so she had to stay with them. She lost her job because of that. Yes, paid sick leave is necessary.

Mrs. Cristina Martins: There was also a study that was released last week and an op-ed that I believe was released on Friday that spoke to this notion that it was really going to be women, marginalized women and immigrants. As an immigrant myself, the daughter of immigrants, and as a woman, I really took this to heart: that the minimum wage is really going to benefit this particular demographic, and that when women thrive, their communities thrive, their workplaces thrive, their families thrive. Do you have any comments on this?

Ms. Marjorie-Ann Knight: I have so many experiences with women, immigrants, people from all different

parts of the country, and I tell you, when we get a little more money, we are in our neighbourhoods shopping. We are at our neighbourhood markets getting fruit and vegetables. We're spreading the money around our community. Yes, when we have money, we spend it here. We're not going to Bora Bora; we're spending it here.

Mrs. Cristina Martins: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the official opposition: MPP Harris.

Mr. Michael Harris: Thank you, Ms. Knight, for joining us this afternoon and for today, in fact. I look in the crowd and I see a gentleman that—I recently had a round table with some of his folks out in Wellesley. One of the concerns that came up at that round table, then, was the fact that employers are moving to more and more automation, and then in fact are taking away jobs that people currently have. I'm not sure if you see a move to more automation because of increasing labour costs. Do you foresee that happening, and is it a concern?

Ms. Marjorie-Ann Knight: I think automation is a natural progression. I think in our kind of society, it's going to happen anyway. I also smile when I watch the McDonald's that I used to work near, watch them bring in this new automated system. Then they had to hire somebody to come and stand beside the automated system to explain it to everybody and help them. I think that there may be some jobs that are going to be lost to automation, but I do believe that there will be other jobs to compensate for these.

My bottom line is that people who work should not be paid poverty wages. They should be paid something that they can live on. I shouldn't have to live in a shelter because I can't afford to pay rent. I should not have to worry about if I can afford a bus pass to go to work. I shouldn't have to worry that I don't eat this week because it's the only way I can make sure that my children eat. And that, sir, is what's happening out there. It may not happen in your family, but it happens in a lot of families around here. You people need to understand that, and we need to do something about it. Fifteen dollars is just the beginning. It's not a magic bullet, but it will help, and that's what we need.

Mr. Michael Harris: Thank you for your time today.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. If you have a written submission, you need to have it to the Clerk by 5:30 on Friday, July 21.

Ms. Marjorie-Ann Knight: Thank you.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation.

MS. PAM WOLF

The Vice-Chair (Ms. Ann Hoggarth): I call on Pam Wolf, city councillor, Cambridge. If you could please state your name for the official roll, your five minutes will start.

Ms. Pam Wolf: Good afternoon. My name is Pam Wolf. I'm a city councillor for the city of Cambridge and a concerned citizen. I'm here to speak in support of

raising the minimum wage. This change will greatly improve workers' and their families' quality of life and health.

I am proud to say that the city of Cambridge is the first city in Ontario to become a living wage employer at the supporter level. I think you have heard from our living wage committee, so I will not restate what the living wage is based on. In Waterloo county, that amount is \$15.42.

After much discussion and many votes in favour of becoming a living wage employer, the city of Cambridge will be paying all employees—full-time, part-time and occasional employees—a living wage by January 2018, achieving partner level as a living wage employer.

All of our full-time employees and union employees made the living wage when we signed with the living wage in April 2016. Now we are raising all part-time to the \$15.42, 50% of the gap between current earnings and \$15.42 by January 15 of this year, and the rest by January 2018.

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Our next step as a living wage employer is to have any contract we sign have a clause that employees working for us must make the living wage. For example, right now we pay our cleaning contractor \$16.75 an hour, while the person doing the cleaning makes around \$12 an hour. If the minimum wage is raised to \$15 an hour, it will make it easier for the city to insist on its contractors paying the living wage. It will create a level playing field for employers and make an incredible difference in the lifestyle of thousands of workers in Ontario and their families.

Our living wage committee examined evidence from economists that disproved the myth that a higher minimum wage hurt the economy, and they studied employers' findings that employees paid a living wage resulted in less staff turnover, training costs, increased productivity and better morale.

Although council considered and were impressed with the business case for adapting the living wage, it was the moral and values argument that was our main reason for becoming a living wage employer. It was simply the right thing to do. It fit with our corporate values and strategic plan. We hoped to set an example for our community and the rest of the province.

I might add that the corporation of the city of Cambridge is a member of the Cambridge Chamber of Commerce, and we support the living wage.

Personally, I have been fighting for an increase in the minimum wage for a number of years. I was on the fair wage committee advocating for a \$12 minimum over 10 years ago. At that time, we set up a poverty round table with representatives from all levels of government. I am the chair of the affordable housing committee, originally a subcommittee of the poverty round table. The more work I did on affordable housing, poverty and working with our social agencies, I became convinced that the fastest and the most reliable way to solve many of these problems is simply to pay people more. It seems obvious

that if we want all people to have a decent standard of living, we need to ensure that someone working full-time at minimum wage can achieve this.

Today, between 25% to 30% of workers in Ontario earn less than the living wage. Many of these workers are disproportionately women, visible minorities and immigrants. Pat Singleton, director of our Cambridge Self-Help Food Bank, reports more and more clients who are working full-time and still require the support of the food bank.

I'm on the board of Housing Cambridge, which manages affordable housing buildings and is currently building two new affordable housing projects. We have a long waiting list for our units, and with the rising cost of real estate and market rents, the list only gets longer. People earning minimum wage cannot afford to pay the rents demanded today.

I applaud our provincial government for recognizing the huge gap between wage earners at the top and those at the bottom of the wage scale. Part-time and contract work has become the norm. This is a problem for people trying to access EI or secure a mortgage, since there is no guarantee of continued employment.

Generally, contract workers have no benefits. We know that the greatest determinant of health is how much you earn. Having no extended health care, pharmacare, dental care or sick leave obviously may lead to poor health. Research is also showing us how much tension affects our health—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the government to start this round of questioning, MPP Colle.

Mr. Mike Colle: Thank you very much, Councillor Wolf, for your very heartfelt support of this. I can see you've been doing this for many years and the fact that you've spearheaded this at Cambridge city council so that hasn't just been the Johnny-come-lately thing. So thank you for being an advocate.

Now, do you remember, when you were saying you were fighting for the \$12, did you hear the same arguments then, that it was too much too quick, that it was going to cause all kinds of unemployment, that it was going to cause layoffs, closures? Did you hear those arguments back at the \$12?

Ms. Pam Wolf: Yes, we did. I find that no matter whether the economy is booming or in recession, it's the same arguments. According to many businesses, there never seems to be a good time to raise the minimum wage.

Mr. Mike Colle: The other thing you mentioned brought to mind an experience that is now much too common. I represent the middle of Toronto. People think that Toronto is where all the money is, and the jobs, but I have a common occurrence happening where people are working minimum wage jobs and they're using food banks. Sometimes they work two jobs. They say, "The only way I can put food on the table on a regular basis is that I have to line up"—in some food banks they still line up, sadly—"at the food bank to make sure that we've got

adequate food in the house.” You mentioned, I think, food banks in your presentation, and I’m just wondering if that is happening in Cambridge and in this area, too.

Ms. Pam Wolf: Yes, it is. Pat Singleton is the director of our Cambridge Self-Help Food Bank. She said, originally, maybe 15 years ago, you saw very few people at the food bank who were working full-time, and now it’s common because the minimum wage is so inadequate.

Mr. Mike Colle: The other question I have: How is it going to work in terms of the contractors that work with the city of Cambridge? How is their relationship going to evolve as part of this living wage initiative?

Ms. Pam Wolf: Our next step in the living wage is, when a contract is up and we go to renew that contract, we would put in a clause that states that we will only do business with a contractor who is paying their employees the living wage. They’ve done that in Vancouver. Different companies do it.

By 2018, we’ll have reached what we call the partner level in the living wage. To be at the champion level, every employee and every person you come in contact with as a city would have to be making the living wage, including students. So whether we’ll get to the champion level or not, we’re not sure, but we’re taking it one step at a time.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile?

Ms. Daiene Vernile: Thank you. How much time do we have, Chair?

The Vice-Chair (Ms. Ann Hoggarth): Just a little over a minute.

Ms. Daiene Vernile: Okay. Pam, it’s great to see you here. I want to commend you and Cambridge for being a champion in advancing a living wage. Did you say that you are a member or supporter of the chamber of commerce in Cambridge?

Ms. Pam Wolf: Yes, we are. I’ve been talking to some other members who are a little disappointed that they may be giving the impression that all chamber members are against raising the minimum wage.

Ms. Daiene Vernile: Are you concerned by that? We had a representative from the chamber here this morning who said he represents 1,800 businesses and organizations and they’re all in favour of being against Bill 148. In fact—and I quoted this—he said that all 1,800 members find it to be “unreasonable” and “unfair.” Do you agree with him?

Ms. Pam Wolf: No, I do not. The city obviously doesn’t, because we have a living wage. He also represents many non-profits—for instance, Housing Cambridge—which is going to be signing on to living wage. The social planning council is a chamber member—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much. We’ll now go to the official opposition: MPP Jones.

Ms. Sylvia Jones: Thank you. It’s a pleasure to meet you, Councillor Wolf. I have a couple of questions. Living wage, of course, is different than minimum wage. You mentioned that in Cambridge the living wage has been pegged at \$15.42.

Ms. Pam Wolf: Yes.

Ms. Sylvia Jones: So how often would that be updated?

Ms. Pam Wolf: Yearly.

Ms. Sylvia Jones: So every year they do an assessment or review, and then they make an announcement of what the living wage is in the various parts of the region?

Ms. Pam Wolf: Yes. In fact, last year, I believe, when we started this, it was over \$16 an hour, but with the child tax credit, it came down.

Ms. Sylvia Jones: Right. So it does fluctuate and it does get reviewed annually?

Ms. Pam Wolf: Yes.

Ms. Sylvia Jones: You mentioned that Cambridge is going to be moving to a living wage in January 2018. Is that right?

Ms. Pam Wolf: Right now, by January 2018 we will have achieved partner status. At the moment, we—

Ms. Sylvia Jones: I just want to know when you’re going to start paying everybody \$15.42.

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Ms. Pam Wolf: Right now, we pay all our full-time employees a living wage, and all our unionized employees \$15.

Ms. Sylvia Jones: When do the part-timers go to \$15.42?

Ms. Pam Wolf: In January 2018, they’ll make the \$15.42.

Ms. Sylvia Jones: That was my understanding.

Ms. Pam Wolf: Part-time, occasional—everyone that we directly pay.

Ms. Sylvia Jones: You mentioned—and MPP Colle also raised it—that the city of Cambridge has contractors.

Ms. Pam Wolf: Yes.

Ms. Sylvia Jones: I think you made reference to cleaning contractors. Why wouldn’t you just hire those employees directly?

Ms. Pam Wolf: That’s a good idea. When we examine it, we may decide to go in-house with some of the services that have been previously contracted out.

Ms. Sylvia Jones: When the decision was made for the city of Cambridge to go to a living wage, I’m assuming that was a vote of council.

Ms. Pam Wolf: Yes.

Ms. Sylvia Jones: When the discussion occurred, the debate, did the clerk or the treasury department make a presentation on what the impact would be of moving your employees up to make those changes?

Ms. Pam Wolf: Yes. We have a working committee which has staff from finance and HR. We have our union presidents. We have a member from the living wage committee of Waterloo. Staff actually invited the president of the chamber of commerce to also be part of that.

Ms. Sylvia Jones: So Cambridge did an economic impact study, but the government hasn’t done an economic impact study.

Ms. Pam Wolf: Well, we didn’t do an economic impact study.

Ms. Sylvia Jones: The treasury or the CEO didn't make a presentation and say, "This is going to be the impact on our budget"?

Ms. Pam Wolf: Yes. Yes, they did that.

Ms. Sylvia Jones: Okay.

Ms. Pam Wolf: It was interesting that for the 2017 budget, to move all our part-time people up halfway there, it was only \$100,000. To complete it in 2018 is another \$110,000.

Ms. Sylvia Jones: I think the important part is the fact that you actually did the due diligence as a council and prepared the economic impact study. What we haven't seen with Bill 148, and which I would encourage the government to do, is that same kind of due diligence on Bill 148 province-wide.

Thank you for your time.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much, Councillor Wolf, for being here today and for sharing your perspective on the importance of a \$15 minimum wage and a \$15.42 living wage. Thanks also for your leadership in championing this for the city of Cambridge. Hopefully, this is a model that will spread across the province.

Given your support for a \$15.42 living wage, do you have any concerns about what is in Bill 148 in terms of the minimum wage proposal and the exemptions to that \$15 minimum wage?

Ms. Pam Wolf: I would prefer that we had the living wage as opposed to the minimum wage, but I think it's a good first step.

It's interesting. We have—I'll give you all a copy—a notice of motion that was presented to council on July 11, which is support in principle for Bill 148. It talks about more than just the minimum wage that we're in support of.

Ms. Peggy Sattler: Okay. Actually, when you reached your five-minute point, you still had some—

Ms. Pam Wolf: Points?

Ms. Peggy Sattler: Yes, points still to make in your presentation. Would you like to proceed with that now?

Ms. Pam Wolf: Well, for instance, I'm personally very much in favour of the sick days. It has been brought to my attention that in some of the large manufacturing in our area, we're seeing drug problems at work because workers who injure themselves can't take the time needed to have an injury heal or do physiotherapy, so they use painkillers. That's now a problem, which was pointed out to me: Because of the use of the painkillers, productivity and safety on lines are affected.

That's just a small sample, if we do get some sick days for employees, of where we can make some real improvements.

Ms. Peggy Sattler: Do you have any suggestions for other ways that Bill 148 could be strengthened or improved?

Ms. Pam Wolf: I also really like the emergency medical leave for families, and also being able to use the emergency leave for sexual assault, domestic abuse.

Those are areas, as we've heard very strongly from people at our women's shelter, that would make a big difference.

So many of the things in Bill 148, I think, are a first step. I would like to see some of them go further. Obviously, two sick days won't get you a lot of physiotherapy, but it's a start. I think the idea is, we're saying we support it in principle. We support the principle of sick leave and emergency, protected leave—all of the things that make our quality of life better. I think, as has been pointed out, health care costs us money, so this is preventive.

Minimum wage is a first step. It will maybe relieve the number of people on welfare, the number of people that we have to provide extra benefits for.

Ms. Peggy Sattler: On the issue of the domestic violence and sexual violence leave, we had a number of presentations yesterday in which it was emphasized that there is a need to safeguard—to designate—days as sexual violence and domestic violence leave, because of a concern that employees may not feel comfortable accessing the leave for those purposes. Also, they could have an experience of domestic violence or sexual violence after the two days' leave has been used up.

Do you have any thoughts about the importance of designating sexual violence and domestic violence leave days?

Ms. Pam Wolf: Yes, I do.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation. The deadline to send a written submission to the Clerk of the Committee is 5:30 p.m. on Friday, July 21.

Ms. Pam Wolf: Thank you.

OXFORD REGIONAL LABOUR COUNCIL

The Vice-Chair (Ms. Ann Hoggarth): Our next presenter will be Oxford Regional Labour Council. Do you have a written submission, sir?

Mr. Doug Steele: I've got one copy.

The Vice-Chair (Ms. Ann Hoggarth): Okay. If you could state your name for the record, and your five minutes will begin.

Mr. Doug Steele: My name is Doug Steele. I'm here today to give voice on Bill 148 from the 9,800 members affiliated with the Oxford Regional Labour Council.

As a delegate from Unifor Local 636 to the labour council, and as an elected trustee and member of the political action committee, we are aware of how workers are affected by the minimum wage; the difficulties workers experience trying to join a union; as well as the nightmare of precarious work, and the needed changes we will present here today.

Twenty-five years between reviews of the Employment Standards Act or the Ontario Labour Relations Act is far too long. These two pieces of legislation are important protections for workers.

As MPPs participating in the review of the proposed legislation, we recognize the valuable work you are

involved with for the people of Ontario and want to take this opportunity to thank you.

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We recommend, under the Labour Relations Act:

- workers need the repeal of the mandatory vote system, and then extension of card-based certification for all sectors in Ontario;

- extend succession rights to all sectors' contracted services;

- prohibit replacement workers during a lockout or strike: far too often employers are able to walk away without a fair settlement to workers by not having the legislation to protect workers; and

- provide automatic access to first-agreement arbitration.

Under the Employment Standards Act, we want to see extended coverage of the Employment Standards Act to dependent contractors as well and strengthening of equal pay for work to include similar work. Workers also need to be protected from reprisal when requesting wage rates; no party should be able to contract out of basic provisions of the Employment Standards Act; and no exception to the minimum wage.

Example: When I was on my first job, the employer attempted to pay me less than the minimum wage. This practice continues today. We've heard from presenters earlier today, as well as, my understanding is, throughout the week on the submissions that you've heard.

We need to extend the just-cause protection to all Ontario workers. That will provide workers with greater job security because they will be safeguarded against arbitrary and unfair terminations that take place today.

Workers need paid personal emergency leave days. Far too often there is not enough time to look after emergencies. Create a designated leave for survivors of domestic and/or sexual violence with days of job-protected leave, followed by a longer period of job-protected unpaid leave. This will help survivors out of poverty after an incident.

The minimum wage: Ontario workers need a raise. Minimum wage workers are no longer 16 to 24 years of age, but workers of all ages are affected—families as well as communities. In our community, the United Way is continually reaching out to organizations such as ours to find more resources. Dental care is frequently needed, as workers face the prospect of jobs without health benefits. Food bank use is increasing by the working poor, and they often run out by month end. Over 50 economists support the decision to increase Ontario's minimum wage to \$15 per hour. Raising the minimum wage makes good economic sense. It puts money in workers' pockets, which equals more spending.

Today, far too many workers are caught by precarious work: layoffs, short hours, no notice of shift cancellations, changes to shifts, discharge without cause, too many hours that violate employment standards, pay shortages, no overtime pay, and no vacation pay. Workers in Ontario want decent work, respect in the workplace and to be treated fairly. Improving Bill 148 will assist

workers in gaining the dignity that they need in Ontario workplaces. We encourage the standing committee to take the next steps and support the workers of Ontario with these recommended changes.

A reminder to all of us from a former Canadian leader involved with workers' issues his entire life—a quote from past president of UAW Local 636 and Oxford Regional Labour Council delegate Bob White: "Change is always controversial and leadership demands risk-taking."

In conclusion, we encourage this standing committee to better the lives of all Ontario workers and be committed to achieving these challenging workplace issues.

Thank you for your leadership.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Perfect timing. We'll go first to the official opposition: MPP Harris.

Mr. Michael Harris: Yes, thank you for your presentation. You talked briefly about some of the suggestions that you have. I don't know if you want to get into some more detail in terms of the specific changes that you're looking for. Why do you feel they weren't initially included in the Changing Workplaces Review or, in fact, the bill, I guess I should say?

Mr. Doug Steele: There are parts of the bill that are a good first step. They need to be built on. The examples that I've outlined—no, there wasn't too much detail. I've got five minutes to present; I want to get ahead of a number of ideas that are important to workers in this province. Whether they work in a unionized facility or non-unionized—wherever they work, it's important to have these protections. For 25 years—it's been far too long that they haven't had any changes in labour legislation to protect them in the workplace.

It's a reasonable expectation, when people go to work in this province, that they're going to be able to earn enough at a job, that they're going to be treated fairly, and that they're going to know their hours of work.

Just imagine, as an example, you, as an MPP on this committee, knowing that you have to visit 10 cities or areas across this province, but nobody gives you a schedule until tomorrow morning, and then they say, "You're going to Jackboots, Ontario" or somewhere else.

This is what workers face today. They face the real reality of not knowing what their hours of work are, what their job is going to entail, in a number of cases. It provides that insecurity that other presenters have talked about here today.

Mr. Michael Harris: In the review, the panel recommended the preservation of the secret ballot vote. However, the government did move in the bill with the extension of card-based certification for just a few of the sectors. Why do you think they selected the ones they did?

Mr. Doug Steele: I can't answer for the provincial government. All I know is, as a worker facing the prospect of unionization, the card mechanism worked very well in this province until it was changed. Since that time, there's no balance in the workplace. Workers are

intimidated or become intimidated. Employers take workers into rooms or offices for what they refer to as counselling about union drives and what it means to belong to a union. All kinds of intimidation takes place during this period of time, which the vote system that is in existence today leads to. It leads them to the ability to intimidate workers and not what the real intent is.

Mr. Michael Harris: We heard this morning from one of the presenters that there was a vote recently from one of the employers, and there was a 90-some per cent participation rate.

In the bill, it would allow for votes to be held off-site. Do you think that would actually increase participation for voting?

Mr. Doug Steele: Our presentation indicates that we don't want the vote system; we want the card-check system. The on-site system that exists today can take place in front of your supervisor's office—it has a nice, large window for them to see who's going in to vote—or somewhere else in the workplace. Whether it's off-site or whether it's on-site, we want the card-check system rather than the vote system.

Mr. Michael Harris: We've heard from a lot of employers today who have concerns about the pace of the implementation of some of these changes. I wonder if you have any thoughts as to the pace of some of these changes. How do you feel about those?

Mr. Doug Steele: I would say to you, sir, that workers have been waiting for over 25 years for needed legislation to protect them in the workplace, and the rate of these proposed changes is not soon enough. The sooner that workers have at least a minimum \$15 an hour in their pockets—it's going to help improve local economies. Workers spend money in their local economies. They don't have the opportunity to go to a resort somewhere on an island—

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir.

We'll move to the NDP. MPP Sattler.

Ms. Peggy Sattler: Thank you so much for coming today and for being the voice of working people in Oxford. I know that the advocacy that your labour council and labour councils across the province have participated in is the reason that we're here today having these hearings on Bill 148.

You talked about some of the concerns with the mandatory two-step process for certification, with the vote following the cards, and why it's so important to have card-check certification. We heard yesterday some really quite shocking stories of employer intimidation. It appears to be a clear violation of the Labour Relations Act, and yet there was no action taken by the ministry to intervene and try to stop those kinds of activities.

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Are there other provisions of the bill that you think will limit the ability of non-unionized workers to come together to form a union, in addition to the need for card-check certification? Are there other improvements that could be made to Bill 148 to make it easier to unionize?

Mr. Doug Steele: Certainly enforcement.

Ms. Peggy Sattler: Enforcement, yes.

Mr. Doug Steele: Across the province, it's the decision of the government not to hire people into certain parts of the provincial government in charge of enforcement. Certainly that would help.

For a worker in a workplace, there's a lot of fear and intimidation about the power that an employer has. Employers make no bones about it: They will use it. They'll indicate that, as many times as necessary, to scare people off of unionization.

Ms. Peggy Sattler: Yesterday we also heard some concerns about the limits on information that is provided to organizers about the workforce and who was in the workplace, and this also creates a barrier. Is that something that you would also agree with?

Mr. Doug Steele: It definitely is a barrier. That information needs to be shared.

Ms. Peggy Sattler: Okay, thank you. I really appreciated your mentioning the importance of designated domestic violence and sexual violence leave, separate and apart from the personal emergency leave days. Can you speak a little bit about why there should be designated, protected leave for domestic violence and sexual violence?

Mr. Doug Steele: For those who have experienced that form of violence, it's a different leave. It's different, going to an employer and explaining the reason why you need that leave, based on domestic violence or sexual assault, rather than, "My child has pneumonia" or a cold—not that that's not important; it's very important—or, "My basement started leaking, and I need to take care of this."

It's a very special leave, and it would be a special requirement in the workplace for those who have suffered that kind of abuse.

Ms. Peggy Sattler: I understand from other jurisdictions that offer the leave that it's not open to abuse. In fact, employees access it infrequently, and only in cases where it is legitimately needed. Is that also your experience or your knowledge?

Mr. Doug Steele: That is my understanding and experience. A person put it to me this way: Who wants to go to their employer and say, "On Saturday, when I was home on the weekend"—if they had the weekend off—"my partner beat the crap out of me"? Who wants to do that?

The Vice-Chair (Ms. Ann Hoggarth): Thank you, sir. We'll move to the government. MPP Colle.

Mr. Mike Colle: Thank you very much, Doug, for your sensitivity, especially on this last issue, about leave based on sexual violence. I appreciate that sensitive comment you made.

We've heard from opponents to this legislation. They say, "We need more studies. It's too hurried." Meanwhile, you're saying you've been waiting for this for 25 years, and that the Labour Relations Act has not been modernized in 25 years.

Can we wait longer? Should we delay before we take action to update our labour laws in this province?

Mr. Doug Steele: No.

Mr. Mike Colle: Twenty-five years is long enough.

Mr. Doug Steele: It's too long, sir.

Mr. Mike Colle: Yes. The other thing is that, as you know, you talked about the reasons why you support card-based check-offs and certification. This legislation tries to expand that area into, I think, three areas that are involving precarious-type work: the temporary help agencies—a lot of people work in the shadows there; the building services area, people cleaning buildings; and the home care sector.

You obviously favour us expanding. I'm sure you want it expanded right across the board. But I think you made a very critical point. This is about the fact that there is intimidation that takes place. A lot of these workers are non-English speakers, newcomers to the country, people who are worried about losing their job, so they're not going to want to be there in front of their bosses saying that they want to join a union.

You favour, obviously, an expansion of card-based certification.

Mr. Doug Steele: Yes.

Mr. Mike Colle: I know that it has worked very well in the construction trades, despite the fact that the former Harris government—not this Harris—had eliminated it.

Mr. Han Dong: The vintage version.

Mr. Doug Steele: We recognize the other one.

Mr. Mike Colle: Yes, the other one. They have a private member's bill which calls for the removal of card-based certification totally.

The reality is that card-based certification gives that worker a bit more comfort in coming forward and joining a union. Would that be a necessary reason to do this?

Mr. Doug Steele: Absolutely. Having no exemptions, so that it goes across all of the sectors, is also something that we would want to see in the legislation.

The four areas that you covered off: We're very glad that they have that.

Mr. Mike Colle: You did want us to go further, obviously, yes.

Mr. Doug Steele: Absolutely, to all sectors.

Mr. Mike Colle: The other thing is, I think you made a very important point. I've sort of come to understand, with this move towards a higher minimum wage—as you said, the workers who are going to get a higher minimum wage aren't going off to the Cayman Islands to spend their money. If they get a few more bucks in their pocket, they're going to spend it in the local economy. They're going to spend it buying clothes, shoes for their kids. They may buy extra food; they may buy who knows what. But they're going to spend it locally. That is something I think the opponents of increasing the minimum wage are forgetting. Those people who work for you who are going to get a few more bucks an hour are going to spend it in the store next door or the restaurant down the street. They aren't going to put it into some RRSP. They're not going to put it offshore. They're going to spend the money locally. The money is going to go back into the local stores, restaurants, bars and grocery stores. That's where it's going to go: locally.

Mr. Doug Steele: Absolutely. I would challenge anybody to find a way to put money into an RRSP while earning \$15 an hour.

Mr. Mike Colle: Yes. They're going to spend it, because they have to. It's not discretionary spending. It's basically that they've got to spend it because they're probably behind on their rent anyway.

Mr. Doug Steele: I would hope not, but the reality is, yes, absolutely.

Mr. Mike Colle: With the higher rents and other costs going up, even though they want to work and they're doing their best to make ends meet, I'm getting people who keep saying to me, "Well, I live in Toronto, but with every paycheque, I'm getting further behind, because I've got to pay the rent, the groceries, the insurance. I've got to pay for my kids' camp."

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your submission. The deadline to send in another written submission to the Clerk is 5:30 on Friday, July 21. Thank you, sir.

Mr. Doug Steele: Thank you.

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ONTARIO NURSES' ASSOCIATION

The Vice-Chair (Ms. Ann Hoggarth): I call on the Ontario Nurses' Association. If you could please state your names for the official record, and then your five-minute presentation will start.

Ms. Laurie Brown: Hi. My name is Laurie Brown. I'm the region 4 vice-president on the board of directors at ONA, and I'm a nurse in the ICU at the Juravinski Hospital.

Ms. Simran Prihar: Good afternoon. My name is Simran Prihar, and I'm the senior legal adviser at the Ontario Nurses' Association, or ONA.

ONA represents 64,000 registered nurses and health care professionals across Ontario across the health care sector. We would first like to commend the government's efforts to modernize Ontario's very outdated employment and labour laws, starting with the Changing Workplaces Review and culminating in the introduction of this bill.

Bill 148 introduces a number of provisions which we feel are greatly positive for the working people of Ontario. ONA is proposing some changes to the legislation, as drafted, to address certain shortcomings that are a priority for our members. You can find ONA's principal recommendations on the first page of our written submission, which I believe has just been handed out to you.

ONA's written submission touches on five issues which we feel can be improved upon in the bill and which are critically important, but we would like to focus on two in our oral presentation: first-contract arbitration and successor rights provisions, both under the Labour Relations Act.

With respect to first-contract arbitration, as noted on page 3 of our submission, reaching a first collective agreement is critical to the exercise of the freedom of association. In order to exercise the right to collectively

bargain, the process must be meaningful. We commend the provision which provides automatic first-contract arbitration in the case of remedial certification, which is where there has been employer misconduct.

This is a huge step in the right direction; however, in all other cases, the Labour Relations Board has the ability to dismiss the application or send it back for further mediation. While we see the value of mediation with experienced mediators, this must be balanced with the need for expeditious outcomes in bargaining. Lengthy delays at the bargaining table of a first collective agreement lead to frustration and demoralization of the workers. In most cases, the employees have just fought a hard-fought campaign to certify in the face of employer resistance, and they're excited to get their first collective agreement. The system as it is now allows for too many delays.

We commend the expedited mediation process in section 43 of Bill 148, the Labour Relations Act, but we think that, where an application has been dismissed or sent back to mediation under section 43.1, there must be an understanding that, when a union has taken all reasonable steps to engage in good-faith bargaining, they will be granted access to the mediation-arbitration process in section 43.1. Hence, our recommendation, which is on page 3—which is also the same, you'll note, as that of the OFL—is to amend paragraph 4 of section 43.1(5) of the act to remove the words “the board may consider the application” and insert instead mandatory language, as we have suggested, that “the board shall direct the settlement of a first collective agreement by mediation-arbitration.”

With respect to successor rights, which you'll find on pages 3 and 4 of our written material, we want to say that the new sections 69.1 and 69.2 are, again, a good first step in the right direction. For too long, too many employees who work for service subcontractors have been denied basic protections. This means that unionized contract workers often lose their bargaining rights and the collective-agreement provisions that they have managed to bargain if their service contract changes hands. This happens even if the new employer hires the exact same employees to do the exact same work in the exact same place.

Bill 148, however, fails to follow the Changing Workplaces Review's full recommendation, which was to extend successor rights not just to building services, which it does, but also to home care services funded by the government. We see no justification for ignoring the second part of the recommendation. Home care is a growing and important area of publicly funded health care. More care is being moved into the communities out of hospitals, and employment in this sector remains precarious. In home care, employees have limited pension and benefit entitlements and split-shift work, which creates hardship in many cases, and the employees are predominantly female.

Although home care contracts are for specified terms, the legal right to strike in this sector is rendered meaningless by certain practices in the subsector. When

negotiating collective agreements, it has been made clear by home care providers that the LHINs—previously the CCACs—will take the contracts away from them in the case of an impasse if we file for a no-board report. The nursing work performed by our members is reallocated away from the unionized nursing service provider and sent to another provider.

As noted by the special advisers in the Changing Workplaces Review, the situation of contracting out and re-tendering is perhaps one of the best examples of a fissured workplace, creating competition among suppliers of services and a race to the bottom. We see this as a glaring gap in the new provisions, and are recommending that sections 69.1 and 69.2 be amended—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Third party. MPP Sattler.

Ms. Peggy Sattler: Thank you very much for joining us today. I'd like to give you some time to finish your presentation.

Ms. Simran Prihar: Thank you. I was just going to outline that the recommendation that we are making is that 69.1 be amended to reflect that it does also apply to the home care and community services industry.

Further, we recommend that the public funds limitation in 69.2 be removed. This was not a limitation that the special advisers in the Changing Workplaces Review made, and we see no reason why private service contractors should be left out of any future regulations or any committee that's struck to look at this issue in the future.

Ms. Peggy Sattler: Are there any other recommendations that you wanted to highlight?

Ms. Simran Prihar: We also make a recommendation around consolidation of bargaining units. We feel that the three-month timeline in section 15.1(1) of the Labour Relations Act is overly limiting. To deal with, especially in health care, the over-fragmentation of bargaining units, unions should be permitted to make an application for consolidation of bargaining units of one employer at any time.

We also make recommendations around both domestic and sexual violence under the ESA and prohibiting contracting out of the Employment Standards Act, which Bill 148 seems to allow in two separate areas: one is in scheduling, and similarly, in the equal pay for equal work provisions.

Ms. Peggy Sattler: So you would support the recommendations that have been made by the OFL and \$15 and Fairness and the Equal Pay Coalition for tightening that language around the equal pay for similar work?

Ms. Simran Prihar: Absolutely.

Ms. Peggy Sattler: You talked about the fact that Bill 148 only allows first-contract arbitration where a union has been remedially certified. Do you have any sense of how often that happens, that there has been remedial certification for a union?

Ms. Simran Prihar: Off the top, I don't. I don't think it's overly frequent.

Ms. Peggy Sattler: The reality is, then, that the first-contract arbitration provisions of Bill 148 would apply in only a very limited number of situations?

Ms. Simran Prihar: Bill 148 does also strengthen the remedial certification provisions themselves, so there may be more instances in the future. Under the legislation as it currently is, it was very difficult to get that.

That may change, but again, it's not in every case that you're going to be able to show that you need remedial certification.

Ms. Peggy Sattler: I appreciate your support for the domestic violence and sexual violence leave. It was a private member's bill that I worked on, and it was passed and got support of all three parties, but is absent from Bill 148.

I wondered if you could speak a little bit, from a health care perspective, about the importance of having designated protected leave for sexual violence and domestic violence.

Ms. Simran Prihar: As we note in our submission, a stable environment is critical for survivors of domestic or sexual violence. Those workers should not be forced to choose between their financial stability and their health and personal safety. Lumping it into the personal emergency leave provisions, unfortunately, just does not deal with the social need that was identified here.

We do support the OFL in their submission that there should be a completely separate leave of 10 paid days so that somebody has the job security and pay security to be able to get out and get the help they need, including health care. Too often, we see that people are not able to remain in hospital. They have to go back to work, even in situations where they really shouldn't, whether it be for physical or mental health reasons. We're also recommending a 60-day, job-protected unpaid leave after that, because the ramifications of such violence are long-standing. It's not over, especially in two days—but even if you took all of your 10 personal emergency leave days, often that won't be enough.

The Vice-Chair (Ms. Ann Hoggarth): We'll move to the government. MPP Colle.

Mr. Mike Colle: Just following up on MPP Sattler's bill about leave for victims of sexual violence: Have you taken any position on giving women who have stillbirths or have pregnancy losses a right to have leave after suffering a stillbirth or pregnancy loss?

Ms. Simran Prihar: We have not taken a position on that.

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Mr. Mike Colle: Have you done any examination of that? You know that there are no rights? A woman can be pregnant for nine months, have a stillbirth, and she has to go back to work the next day. That's the law in Ontario right now.

Would you favour such a provision here, or would you have to go back and look at that?

Ms. Simran Prihar: Personally, I would favour such a provision, and I'm sure Laurie would say the same. As an organization, we haven't discussed it, and so I can't speak for the Ontario Nurses' Association on that per se. But absolutely, we understand that's the state of the law and that that is not sufficient and not fair in many cases. However, I can't speak for the entire organization.

Mr. Mike Colle: I guess I shouldn't be lobbying you; it should be the reverse. It just reminded me of that gap that exists in Ontario labour laws. I'm going to bring that up with the minister. I have, in fact.

The other thing is, I guess you welcome the fact that the Ontario Labour Relations Act is finally being reviewed after 25 years. It gives you an opportunity to do this review of all these provisions and to make recommendations, right?

Ms. Simran Prihar: Absolutely, we do. This doesn't come around very often, so we would like to see that we get it right now that there is a chance to change the laws after so many years.

The Vice-Chair (Ms. Ann Hoggarth): MPP Vernile.

Ms. Daiene Vernile: Thank you. How much time do I have, Chair?

The Vice-Chair (Ms. Ann Hoggarth): Three minutes.

Ms. Daiene Vernile: Okay, lots of time.

Ladies, thank you very much for coming here today and putting Bill 148 through the lens of the Ontario Nurses' Association. You touched on something, and I'd like to know a little bit more information, if you could share this. You talked about subcontracting and how you agree with a position. Can you do a bit more of a deeper dive for me? How does this impact nurses in Ontario?

Ms. Simran Prihar: It impacts specifically the nurses we represent in the home care sector. We have nurses who work for organizations like the Victorian Order of Nurses and Bayshore. These are employers that employ not just nurses, but other health care providers like personal support workers—but they do employ nurses as well. In these situations, we have bargaining units around the province, but the contracts are tendered to these providers, like VON and Bayshore, by the government, by what used to be the CCACs and now the LHINs. They control the money, so it's actually an interesting situation where we're bargaining with the contractor.

However, there are terms and conditions that they have in their contract with the government that address things like our members' ability to go on strike. This is not an area that's been found to fall under the interest arbitration provisions of HLDA, so it is a right-to-strike sector.

We have situations where with those contracts, if we are bargaining and the parties get to an impasse, we've been told by certain employers that if you file for a no board, the CCAC has a clause in our contract which says that they will take our contract and give it to other service providers, which often are not unionized service providers, because again, this is an area that is hard to unionize.

We very heartily welcome the card-check certification provisions that have been put in place for home care because that will help in this sector, which is only 30% unionized and is very precarious. But in the past, it's been very difficult to unionize. We often will lose all of our bargaining rights and our members will be laid off because the contract goes to someone else who has got cheaper labour.

Ms. Daiene Vernile: What's the feedback you're getting from your members on this?

Ms. Simran Prihar: It's very positive on the card-check certification, especially from the ones who have been through some really tough fights and employer intimidation. We've heard very loud and clear that successor rights are just as important in home care as they are in building services, and so we're here to advocate for that.

Ms. Daiene Vernile: Is there a pay difference between the two, between the full-timers and the sub-contracted employees?

Ms. Simran Prihar: All the employees are employees of the subcontractor in this industry. There are CCAC employees who do different work—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. Now to the official opposition: MPP Barrett.

Mr. Toby Barrett: Thank you for the—I'm still on page 3. I'm still on recommendation 1. You really know your stuff, and I don't.

Maybe just off the top, you mentioned that 30% of the health care sector is unionized?

Ms. Simran Prihar: Of the home care sector.

Mr. Toby Barrett: Home care. Yes, I see. With several of these recommendations, like the first-contract arbitration, your recommendation advocates that the reason being to better enable ONA to organize other people in other sectors. I was just curious: So you would be organizing in the mental health field, for example, in the former CCAC field? I guess it's called sub-LHIN now.

Ms. Simran Prihar: Yes.

Mr. Toby Barrett: So that's where your work is now? Where else are you—

Ms. Simran Prihar: Our members are all across the health care sector. The vast majority of our members are in hospitals.

Mr. Toby Barrett: These are actually the members? When you say members, these are nurses or is it also—

Ms. Simran Prihar: These are nurses, yes.

Mr. Toby Barrett: But are they also social workers or psychologists?

Ms. Simran Prihar: Not doctors, but social workers, physiotherapists and occupational therapists, what we would call other health care professionals, and nurses, including both RNs and RPNs. We have all of those members across the province in a variety of different sectors, home care being one particular subsector where it has been more difficult to organize because it's not a traditional setting like a hospital or like a big plant where you go in and all the employees are in one place.

Mr. Toby Barrett: I'm down in Haldimand–Norfolk. I think of our adult mental health services, for example. So there would be perhaps a geriatric nurse; there would be a psychiatric social worker; there would be other—

Ms. Simran Prihar: That's right.

Mr. Toby Barrett: So to organize that office, say out in a rural small town, you would organize everybody, whether they're a nurse or not.

Ms. Simran Prihar: Correct.

Mr. Toby Barrett: Is that how that works?

Ms. Simran Prihar: Usually, yes.

Mr. Toby Barrett: Okay.

Ms. Simran Prihar: In a small employer, yes.

Mr. Toby Barrett: And other unions do this too—

Ms. Simran Prihar: Absolutely.

Mr. Toby Barrett: —like, Steelworkers would organize in this section?

Ms. Simran Prihar: I'm not entirely sure about the Steelworkers, but CUPE and OPSEU and SEIU, for example, are in the home care sector as well.

Mr. Toby Barrett: Okay. I got to as far as the top of page 3. This is very detailed. Is there anything that you wanted to maybe explain further in lay language, like consolidation of bargaining rights?

Ms. Simran Prihar: Sure.

Mr. Toby Barrett: Does everybody agree that's a good idea or are some unions against that?

Ms. Simran Prihar: I can't say for sure. The provision that we're speaking of, I believe that all unions are in favour of that. The provision that we're talking about allows a single union of a single employer to consolidate a bunch of their own bargaining units. That often happens, for example, in home care, where VON has units all over the province. We may have organized them all separately in different regional areas, but it would make sense from a financial perspective for the employer and for ONA to bargain the collective agreement together for the employees who do the same work, just in different locations. I think many unions are on board with this, but I can't speak for everyone.

Mr. Toby Barrett: Is management keeping up with this? I think of the development of health and social services over the decades in Ontario, where you get a government grant and someone is hired in a small office, it gets bigger—another group. So, we've got the unions organized. Is the management side organized as well, or is government organized?

Ms. Simran Prihar: I can't speak to that. I am not sure.

Mr. Toby Barrett: Okay. Thanks.

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your submission. If you have a further written submission, the deadline to send it in to the Clerk of the Committee is 5:30 on Friday, July 21. Thank you.

Ms. Simran Prihar: Thank you.

GOLFNORTH PROPERTIES

The Vice-Chair (Ms. Ann Hoggarth): I call GolfNorth Properties, please. Do you have a written submission, sir?

Mr. Doug Breen: No, just oral.

The Vice-Chair (Ms. Ann Hoggarth): Okay. If you would state your name for the official record, you can begin your five-minute presentation.

Mr. Doug Breen: Certainly. First of all, let me introduce Lynne Hooper. Lynne Hooper is in charge of many

things at GolfNorth but primarily human resources for our purposes today. My name is Doug Breen.

Good afternoon, everyone. I would like to thank you for allowing us this opportunity to address the committee and to share our thoughts on this important bill. I will begin by telling you a little bit about GolfNorth and the golf course industry generally, followed with a brief overview of how Bill 148 will affect our business, and I'll finish off with a few suggestions which we feel will present a healthier path not just for golf but for all small business in Ontario.

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I've been privileged to work for GolfNorth Properties for 20 years. On my first day, this KW-based company had just purchased their third golf course. Today, we own or lease 29 Ontario golf courses, banquet facilities and sleeping accommodations, spread from Ridgeway to Ottawa, up to the Bruce Peninsula, and all points in between. We employ approximately 1,000 Ontarians. The vast majority of those workers are seasonal and mostly students—young people, often entering the workforce for the first time—and retired folks who, to use some of their words, just want a little pocket money their wife doesn't know about, and a reason to get up in the morning.

Like most retail small businesses, labour is by far the biggest single expense line on our income statement. According to the National Golf Course Owners Association, the Ontario average for labour costs in our industry is 40% of gross sales. That is to say, for every dollar we raise through green fees, hamburgers or hotel rooms, 40 cents goes to a labour expense. GolfNorth agrees that this number is consistent with our experience as well.

Some 50% of GolfNorth's workforce are currently employed at the present minimum wage. We were already worried about how we were going to absorb the minimum wage increase that's scheduled for this fall, which now seems fairly modest by comparison. In January 2019, 95% would be at minimum or below if we don't change anything else.

Many of the remaining parts of our workforce, who have more experience, more sophisticated positions or supervisory responsibilities, are paid above the present minimum wage but still less than the \$15 proposed for January 2019. These workers will quite rightly demand an increase in compensation. We can't pay the kitchen supervisor the same wage as the high school dishwasher on his first day who leaves spots on the glasses and breaks every 10th plate.

Similarly, we won't be able to fill turf maintenance jobs at an increased minimum wage, as who would want to spend eight hours a day on a Weed Eater in the hot sun, when the kid tearing tickets next to the air conditioner at the movie theatre also makes \$15 per hour?

The National Golf Course Owners Association estimates the minimum wage increase, coupled with this trickle-up effect, to be a 21% increase in labour costs. We feel that in our case, it's closer to 25% six months from now, and then higher again in 2019. Using either

value, it means that every golf course in Ontario will be 21% to 25% times 40% less profitable than they are today. That's roughly 10%. Very few businesses, golf included, can survive a 10% drop in their net-net-net. The industry at this time simply can't absorb this increase in costs. It is far too weakened by reduced revenues and increased input costs, everything from fuel to fertilizer to hydro.

Our only road forward is some combination of inflation of prices, reduction in seasonal jobs and accompanying service, and reduction in the number of year-round positions. The present state of the golf industry will not accept an increase in green fees. If anything, they will continue in their present downward spiral until more golf courses simply cease to be golf courses.

In short, this increase in minimum wage, intended to create a better life for workers, will in fact, in our industry, lead to less jobs, poorer jobs, shorter seasons, reduced hours and far more demands on the workers when they are on-site, not to mention less golf courses.

But enough about minimum wage.

Golf is a weather-dependent business, and not allowing changes in work schedules with less than 48 hours' notice is a practical impossibility. While this may be perfectly reasonable in a work environment covered by a roof, or in a work environment where a predicted 40% chance of rain doesn't mean a potential 50-50 chance of a very busy day or an empty golf course, this simply won't work in our industry. Not having the option to send staff home when a thunderstorm shuts down the golf course is adding insult to injury, as we'll have to pay people to watch us lose money.

We also have concerns with the 10 emergency days, two paid. We already have to deal with the 10 emergency days, and it wreaks havoc on our courses with smaller staff numbers, but the two paid emergency days amounts to 1,000 employees times two days times eight hours times \$15, which is \$240,000 per year paid out with zero increase in revenue to justify it. To maintain our 40% industry average, we need to find another \$600,000 in revenue to offset it.

Most people are aware of the large amount of community/corporate support that golf courses add to their local areas. It comes in the form of donations, fund-raising tournaments and sponsorships. Few charities have not hit up the local course for a few green fee passes for a silent auction. Each year, this philanthropy becomes harder and harder to justify. With less courses, and less profitability, this corporate philanthropy will erode rapidly.

In my years as a municipal councillor, from 1997 to the present, I found it most useful in these types of forums if the speakers make some concrete suggestions and propose alternatives, as opposed to simply naysaying and pointing out the flaws in a piece of tabled legislation. In that spirit, allow me to make a few suggestions—

The Vice-Chair (Ms. Ann Hoggarth): Thank you.

Mr. Doug Breen: No problem.

The Vice-Chair (Ms. Ann Hoggarth): The first round of questioning will be from the government. MPP Colle.

Mr. Mike Colle: Did you want to continue, please?

Mr. Doug Breen: I would love to—just a couple of very quick ones.

Slow down. It's far too much, far too fast. To increase minimum wage by 32% creates a false bottom in the labour market which businesses will not be able to absorb. It is a fallacy that people who own small businesses sit at home each night in their Scrooge McDuck money vault, counting their coins, when, in reality, many lie in bed at night wondering which bills not to pay and how they're going to make payroll next week.

We want to make a difference between the cost-of-living increase and the increase in the minimum wage. Why not tie them together? Make the increase in the minimum wage equal to the cost of living. There's an infinitely complex balance of supply-and-demand economics. The cost of labour is no different. Over time, what workers demand for certain jobs and certain geographic locations is established through these supply-and-demand rules. A person running a Weed Eater makes more money than a person who's a restaurant greeter, and they both make more money in the GTA than a similar pair of workers in Wiarton. At the same time, we can charge more for green fees in suburban Hamilton than we can in Ridgeway. It's a very delicate balance, like a game of Jenga. Creating a false bottom with a \$15 minimum wage in 18 months is simply shaking the table.

Lastly, there's a difference between those who are trying to live on minimum wage and people who are using it as a way, as someone said earlier, to buy iPods and drum sets. Most of the people who work for us are buying iPods and drum sets. The goal of the legislation, I'm sure, was incredibly honourable and crafted with the best of intentions, but the road to hell is paved with good intentions. If the goal is to help the fraction of our workers who are trying to live on minimum wage, who can argue with that? But the vast majority of golf course minimum wage earners are not trying to live on it. They're students, first-time workers and part-time seniors. Simply raising the minimum wage for all Ontarians rather than creating a program for the specific group who are trying to live on that minimum wage is like using a sledgehammer to do brain surgery.

Thanks, once again, for allowing us this opportunity.

I really wanted to get the sledgehammer joke in, too. Thanks for letting me do that.

Mr. Mike Colle: It's like a guy I knew who went fishing with a sledgehammer.

Anyway, the question I had was about the weather and people who work on golf courses. Could you explain that for me again?

Mr. Doug Breen: This spring has been wetter than most, and it's really hurting our top line this year across the country—apart from the west, where now they wish it would rain. But for all of Ontario, we had a really rough year with rainfall.

What happens is, you schedule for a golf tournament, and maybe you've got a full tee sheet; you're expecting hundreds of people to come through your gates, but if it rains, no one shows up. You might get 20%, you might get 50%, you might get 0%. Some days, we literally get so much rain that we have to lock the gate and not allow any customers on the golf course whatsoever.

It's impossible to schedule 48 hours in advance when you're a weather-based industry.

Mr. Mike Colle: And you definitely are, given that you're totally weather dependent—especially this year.

Mr. Doug Breen: It's the only thing we can't control and the only thing we wish we could.

Mr. Mike Colle: Member Vernile, do you have—

Ms. Daiene Vernile: Yes, just a quick comment.

You mentioned that you've got a number of high school students who are working for you. So you know that they're not going to be paid at the same rate. There is a student rate with the minimum wage, so you're not looking at \$15 an hour there.

Mr. Doug Breen: Yes. But the vast majority of our students are either late high school—you can't be a server till you're 18, so most of our in-the-clubhouse staff are over 18. A lot of them are university students. We employ heavily from every university in Ontario, actually.

Ms. Daiene Vernile: Do you have any golf courses in the Kitchener-Waterloo area?

Mr. Doug Breen: Nine or 10, yes.

Ms. Daiene Vernile: Which ones?

Mr. Doug Breen: Conestoga, Dundee, Foxwood, Beaverdale, Brookfield, Rebel Creek, Grey Silo, RiverEdge—what did I miss? There's a lot.

We're based in Conestoga, Ontario. This is home for us. This is where we do the vast majority of our business.

Ms. Daiene Vernile: Does the name Tony Matlock mean anything to you?

Mr. Doug Breen: Absolutely. I know Tony very well.

Ms. Daiene Vernile: He's my father-in-law.

Mr. Doug Breen: No way. He's a great guy.

Mr. Mike Colle: How about Moe Norman?

Mr. Doug Breen: I used to work at the Waterloo Golf Academy, which is another course we operate, actually, and I'd see Moe Norman every single day. He'd come out and hit balls. He was a great guy with lots of stories. I had a fantastic experience with Moe.

Ms. Daiene Vernile: He and my father-in-law were best buddies when they were teenagers.

The Vice-Chair (Ms. Ann Hoggarth): We'll move on, please, to the official opposition. MPP Harris.

Mr. Michael Harris: Thank you for coming in today.

Obviously, you're a big local employer here. How many people would you have employed, roughly, right now in the region, or across GolfNorth Properties?

Ms. Lynne Hooper: Right now, there's 711 hourly staff, with probably another 100 in salaried.

Mr. Michael Harris: I know the government alluded to the student rate being different, of course, but it does actually increase pretty much at the same percentage rate

that the other minimum wage category increases. Is that correct?

Mr. Doug Breen: Yes.

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Mr. Michael Harris: You were saying that a lot of your employees are actually over the age of 18; likely, university students. So they'll actually be in that category of the minimum wage that is subject to the increase on January 1, right?

Mr. Doug Breen: Yes. Inside the clubhouse, you can't even pick up an empty beer can unless you're 18 years old.

Mr. Michael Harris: Right. Of course. Obviously, when you set rates—I guess you'll be doing that now for next year. It would be something you'll be forecasting, calculating into those rates, of course?

Mr. Doug Breen: We know we have to. We're terrified of doing it. The industry is not just in competition with each other; it's in competition with every other form of entertainment there is. I guess, fortunately, we expect that there will be inflation in every facet of the province, and that hopefully our inflation is lower than everyone else's inflation, and we can continue to exist.

Mr. Michael Harris: So the 48-hour scheduling aspect could dramatically impact your business, which is, of course, weather-dependent. I know the government had mentioned that an extreme weather event could be excluded from this. I have no idea how you'll calculate for that. Obviously, the recent flooding we've had in Conestoga could be deemed a significant weather event. But a normal rain day that you talked about, when the tee sheet can get completely wiped out, may or may not fall into that category, leaving your industry to a lot of grey.

Have you heard of any idea in terms of how they'll adjudicate what day will be allowed for a weather event and which day wouldn't be? What would you ask for in terms of a tangible request here, an exclusion?

Mr. Doug Breen: I know that the National Golf Course Owners Association either has asked or intends to ask—I don't know which; I apologize for not knowing for sure—that exact question, because it came up at an earlier presentation, I believe, in Ottawa. The example cited there was that on the weekend before, it had rained, and one golf course owner figured it would have cost him \$3,000 in labour, with zero revenue, if he had followed the rules as they're laid out right now. Someone quickly gave them a portion of the act to look at. But when I read it—and I've had others look at it who have better legal minds than I do—we don't see how it would ever qualify as being extreme enough. Sure, Conestoga was flooded and closed, as were five other golf courses that weekend, but we can have just as much of an economic loss if it dives from 25 degrees to 12 degrees overnight.

Mr. Michael Harris: Right.

Mr. Doug Breen: Where you would draw that line between what is a catastrophe that would allow us out of that clause, versus—I find it would be almost impossible for the government or for ourselves to administer.

Mr. Michael Harris: I think that there were good intentions in this specific clause for certain sectors, but there are some unintended consequences for sectors like yours. Do you agree with that?

Mr. Doug Breen: I think that's a general statement that can be made. We've heard some heart-wrenching stories here today.

I think that any legislation—I mean, I'm not a party person, and I don't believe any government or any party produces legislation because they want to hurt people. Everybody is doing everything at the government level with the best of intentions. My years as a municipal councillor have taught me that for sure. But sometimes there are unintended consequences, and clearly this is one of them.

I've had jobs in factories and so on, as I worked my way up my career. I have two kids, 18 and 20, who are both working jobs all the time. I know how frustrating those changes in schedule can be, so I understand what they were trying to do. With many of the things in this act, I absolutely understand what the government is trying to do. But I just wanted to take the time to say that in our industry, there are some things in here that just aren't going to work. Certainly, 48 hours' notice for scheduling is just not practical in our industry.

Mr. Michael Harris: Anything else you'd like to add before we conclude?

Mr. Doug Breen: Yes, but it would take far, far too long. I think I just want to leave it with that. I honestly believe that Bill 148 was crafted with the best of intentions, but in our industry in particular, there are two sets of people who are trying to exist on minimum wage—

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much.

Mr. Doug Breen: I think you get the point, anyway.

The Vice-Chair (Ms. Ann Hoggarth): Thank you. If you would like to submit a written—

Interjection.

The Vice-Chair (Ms. Ann Hoggarth): I'm sorry. The third party—

Mr. Doug Breen: I would take that as an insult to your party.

The Vice-Chair (Ms. Ann Hoggarth): No, I've done it to them too.

MPP Sattler.

Mr. Han Dong: You've done it to us.

The Vice-Chair (Ms. Ann Hoggarth): Yes, I've done it to all three.

Ms. Peggy Sattler: Did you want to finish that thought?

Mr. Doug Breen: I basically had finished the thought. It's just that there are two sets of people who are living on minimum—well, not living. That's the key word. There are two sets of people who are earning minimum wage right now. There are my kids, at 18 and 20, who quite frankly are making what they make to buy iPods and drum sets. And then there's another group of people who are actually trying to live on it. What I see are two

completely separate problems that we're trying to solve with one solution.

While it's crafted with the best of intentions, there has to be a better way. There has to be a more efficient way, through the Income Tax Act or something. There has to be a better way that we can help the people who are trying to live on minimum wage without causing runaway inflation by giving my 20-year-old son more money.

Ms. Peggy Sattler: Okay. I don't know how long you've been here today. We've had a number of presentations: a couple of restaurant owners—

Mr. Doug Breen: Shortly after noon, we got here.

Ms. Peggy Sattler: Yes. We had a convenience store owner. You're here as a golf course owner. In terms of the differences between those other sectors, the hospitality and convenience store, for golf courses you've talked about the weather dependence of the golf course industry and the fact that the profile of your workers might be somewhat different because you've said that the vast majority are students or retirees.

Are there other characteristics of your industry that make golf courses' operations unique in the province?

Mr. Doug Breen: Yes. The vast majority of our employees are seasonal. There's only a handful of people who are employed year-round, and those jobs are well paid and with good prospects of future employment and all the things that we would want to see for those staff. But the vast majority of our staff are seasonal, which completely changes their needs and how this bill would affect them.

For things like the two days paid for emergency, we're not sure how that's going to work. The devil is in the details there. If it's a seasonal worker who's only here for five months, do they get their two days in the first week? We're not sure how that's going to work. Those are some things we're concerned about.

What's unique about our industry is that we are a restaurant and we do operate at about 3.4%, the number that was banded about by the two restaurant operators. In some cases, it's a negative number. We also operate a landscape company that takes care of the golf course. We also operate a couple of hotels. We also operate hospitality for banquet halls and things like that. We have four different industries going on all at the same time.

I heard things from the retail side—you know, we have pro shops as well—that made a lot of sense to me. I heard things about the liquor licensing act that made sense to me.

One of our big complaints right now is the fact that people can buy liquor in 100 different places by 9 o'clock in the morning, but they can't buy it from us until 11, which takes half of our most productive times of the day for tee times where we can't sell people liquor. Instead, they sneak it onto the golf course. Yet, we're still obligated to protect them from themselves. We have all kinds of things like that that we find frustrating.

But I think what makes us unique from most industries is that we have all these different industries all combined

into one, and then beyond that we have this incredible sort of seasonal—it begins and it ends and it begins and it ends.

Ms. Peggy Sattler: Right. You mentioned that you think in Ottawa there was—you do have an industry association that's representing all golf courses in the province.

Mr. Doug Breen: Yes. I actually sit on the board of it. It's the National Golf Course Owners Association. Yes.

Ms. Peggy Sattler: Okay. So a submission is being prepared on behalf of all golf courses in the province to identify some solutions?

Mr. Doug Breen: Absolutely, yes.

Ms. Peggy Sattler: Just say that the government goes ahead with this. What other things would you propose that could be done to help ease the transition for your industry to that \$15 minimum wage?

Mr. Doug Breen: Time would be the number one thing.

Ms. Peggy Sattler: Well, if they go ahead with it on schedule.

Mr. Doug Breen: We miss the—it was a student subsidy program that was run by the ministry of colleges and something—I can't remember.

Ms. Peggy Sattler: Advanced Education and Skills Development.

Mr. Doug Breen: Yes. The name of the ministry changed every two years or so. But it was an excellent program. We took advantage of it at almost every one of our sites, and it has essentially disappeared. It has been replaced by other programs, which are great for getting people back into the workforce for full-time permanent positions but really don't work very well for the golf course industry. So losing that program has hurt us very badly.

The Vice-Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you wish to submit a written submission, it would need to be to the Clerk by 5:30 on Friday, July 21. Thank you.

Mr. Doug Breen: Thank you very much. Thanks for your time.

CUPE LOCAL 3906

The Vice-Chair (Ms. Ann Hoggarth): I call on CUPE Local 3906.

Good afternoon. If you could please give your name for the official record, and your five minutes will start after you've done that.

Mr. Brad Walchuk: My name is Brad Walchuk.

The Vice-Chair (Ms. Ann Hoggarth): Go ahead.
1700

Mr. Brad Walchuk: Good afternoon, members of the Standing Committee on Finance and Economic Affairs. Thank you for taking the time to listen to my deputation on Bill 148.

My name is Brad Walchuk. I work as a staff representative for the Canadian Union of Public Employees, Local 3906. We represent roughly 3,000 precariously employed

academic workers at McMaster University. Prior to working for Local 3906, I've worked as a sessional faculty, since 2010, and I occasionally still teach.

While Bill 148 has put forward some ambitious, important and much-needed changes, there are many areas where its current provisions fall short. One of these areas pertains to the exemptions that would still exist under the Labour Relations Act, most notably pertaining to licensed professionals, domestic workers, agricultural workers and horticultural workers. The reality is quite simple: All workers need to be covered by the Labour Relations Act, and, should they choose, have access to a union and collective bargaining rights.

Recently, the federal government signalled its intention to ratify the International Labour Organization's Convention 98, the Right to Organise and Collective Bargaining Convention, which protects all workers from anti-union discrimination. Provincial legislation will need to be in compliance with this convention and ensure that all workers can realize the right to join a union and engage in collective bargaining, if they so choose.

An update to the Labour Relations Act appears necessary in light of Canada's decision to ratify ILO Convention 98, particularly in regard to some of the exemptions that still exist. Not only are the current exemptions inconsistent with Canada's soon-to-be international obligations, but these exemptions also deny workers their constitutional rights under section 2 of the Canadian Charter of Rights and Freedoms. A number of recent Supreme Court cases have confirmed that the charter protects workers' rights both to join a union and to engage in collective bargaining, if they so choose.

In some ways, that this is even up for debate and that it's a point of discussion is surprising. After all, the right to join a union and bargain collectively are not simply policy preferences that can be changed by the government of the day. Rather, these should be seen as inalienable human rights which are, or at least should be, guaranteed to all people by virtue of their personhood. We shouldn't be legislating exemptions, under the Labour Relations Act, to basic human rights.

There are, of course, some consequences for not respecting these rights. As you know, in April 2016, the Ontario Superior Court of Justice ruled that the provincial government violated the rights of school board workers in 2011 and 2012 by running roughshod over their constitutional right to bargain collectively. By virtue of ignoring these rights, the provincial government has recently had to pay over \$100 million in settlements to impacted members of CUPE, OSSTF and OPSEU, and still needs to settle with the Elementary Teachers' Federation of Ontario.

In some ways, I think that making changes to the Labour Relations Act to prevent exemptions will ensure that workers have the right to have their constitutional rights protected.

The second issue that I'm speaking on today is that of equal pay for equal work.

Bill 148 proposes an important and much-needed amendment to the Employment Standards Act in that it

expands the concept of equal work for equal pay, which at present just protects from discrimination based on gender, and expands this protection to include employment status.

The final report of the committee rightly noted on page 177 that "the principle that those who perform the same or similar work should be paid the same is a powerful equitable argument that accords with fairness and decency," and, to that end, recommended on page 182 "that no employee shall be paid a rate lower than a comparable full-time employee of the same employer."

At face value, this would represent an important gain for sessional or part-time university faculty whom our union represents and whose work is remarkably similar to that of our full-time tenured colleagues.

Problematically, the committee, while sympathetic to the concerns of contract faculty, many of whom have worked at the university on short-term contracts since the 1980s, concluded that "there are simply too many objective criteria involved in the different treatment, including different duties and responsibilities, qualifications and merit, any of which could justify differential treatment."

As someone who has worked as part-time faculty since 2010 and who represents roughly 500 contract faculty in my role as a union representative, I can assure you that your conclusions regarding the supposed differences between part-time faculty and our full-time tenured colleagues are not based in reality. To the extent that there are any differences between the two groups, aside, of course, from remuneration, they are marginal at best, though a substantial wage gap exists. For example, we have members in their sixties who have PhDs, who have worked at the university for decades, and who get by, somehow, on just over \$21,000 a year.

The current proposals, which refer to work that is "the same," are too easily exploitable, either deliberately or accidentally, by employers, in that a slight addition to or subtraction from the expected workload would negate the benefits of the provision.

As the number of contract faculty at universities has grown considerably in recent years, there should not be a limitation to the legislation which would—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. The first questions will come from the official opposition. MPP Barrett.

Mr. Toby Barrett: Thank you for testifying. It sounds like you've done a lot of work in this field.

I don't know whether I heard you correctly—you were taking this further and advocating that certain exemptions for other sectors be eliminated. Were you referring to agriculture, for example?

Mr. Brad Walchuk: That would be one of the current exemptions that we're concerned with.

Mr. Toby Barrett: I know, certainly, labour-intensive agriculture would be concerned with that. They are under an alternate model, under another piece of legislation.

You would know better than I that much of the work in labour legislation has been driven primarily by the manufacturing sector.

I worked as a steelworker for a while, and I always felt you need a union in a steel mill. But when I think of farming, which I'm also involved in—vagaries of weather; you feed livestock 24/7—a lot of what I've been hearing in the last couple of days would be very difficult for farmers to accommodate, given the nature of agriculture. Do you have any comments on that?

Mr. Brad Walchuk: You made the point about steelworkers needing the right to a union, and I think that's something that all workers at least need to have access to. Whether or not they choose to follow through with that and to organize into a union to pursue collective bargaining is, of course, up to them. But to have face-value exemptions from the legislation, I think, is problematic. So in the sense that steelworkers have often made the choice to organize, I think that agricultural workers should also be afforded that right.

Also, when we think about the agricultural industry, we tend to think of the small family farm, but when we look at the exemptions of this legislation, we see the rise of factory farms, of large-scale farming, of corporate farming. To suggest that the work those workers do is different from a steelworker, for example—I'm not convinced of that. Fundamentally, it's different because they're not working in a factory versus working in a greenhouse or in an agricultural industry, but in terms of a lot of the manual labour that's being done and the nature of the work—I think it's safe to say that all workers deserve the right to join a union. Particularly when we see the nature of farming change—that classic conception of the family farm—I don't think that reflects reality.

Mr. Toby Barrett: So with respect to the Agricultural Employees Protection Act, what specific amendments would we do to that? This would be unusual. When you think of agriculture around the world, this would set quite a precedent, as I understand it.

Much of my career has been manual labour, and still is on weekends. I have a great deal of respect for manual labour. It's quite rewarding, actually. You don't need to work out in a gym.

I just had difficulty applying a lot of these models, even to larger farm operations. I represent a county that has well over 7,000 seasonal workers—students, but primarily from other countries. I just don't see how this model would work.

Mr. Brad Walchuk: My suggestion in terms of an amendment would be to the proposed Labour Relations Act, that the current exemptions there be struck out of that. I'm not sure, on a large scale, what that would do with the AEPA. But in terms of rights that workers employed in agriculture could access, they'd have the basic right to join a union, and from there the right to secure collective bargaining would be exercised under the LRA, instead of the—there's a different model that's proposed under the AEPA that I don't think is sufficient to address the power imbalance between workers and their employers.

You bring up an important point about migrant labour. In the agricultural industry, there are important power

imbalances between workers and their employers. I think that the most effective way to address that power imbalance and to rectify it is to allow full rights for agricultural workers, under the LRA, to join a union and to seek collective bargaining—again, if they so choose. If that's a right that they feel they don't need or ought not to, then of course they wouldn't have to pursue that. But to have that option there under the LRA and remove those exemptions, I think, is quite important.

Mr. Toby Barrett: Okay. Thanks.

1710

The Vice-Chair (Ms. Ann Hoggarth): The third party: MPP Sattler.

Ms. Peggy Sattler: Thank you very much for coming today and for your presentation.

When you reached the five-minute mark, you were in mid-sentence, talking about the growth in the numbers of contract faculty across the post-secondary sector. I'm very interested in hearing the rest of what you had to say, so please go ahead.

Mr. Brad Walchuk: Sure. Thank you. I promise it will be fairly quick. It's the last page.

The number of contract faculty has grown considerably in recent years. At one point, contract faculty were seen as very much short-term employees. If a tenured faculty was on parental leave or research leave, you'd have someone come in and fill the course. That course would be done, and the tenured faculty would be back.

That reality is no longer present. It's the case in some situations, but at McMaster, for example, we've had people who have been teaching since the late 1980s or early 1990s, and on a year-to-year basis, their job security is semester to semester to semester.

In terms of the concerns that we have about equal work for equal pay and looking to expand that, sessionals would still remain precariously employed. There haven't been major changes proposed to the Labour Relations Act that would necessarily make work more secure, but changing the pay equity model—at least people would be afforded an equivalent teaching salary to that of their full-time colleagues.

In terms of addressing the fairness and balance between precarious, part-time faculty and our tenured colleagues, the hope is that it can at least be addressed in regard to wages.

As such, I'd implore the committee to recommend the removal of references to "piecework" or "any other factor"—which can be quite broad and can mean pretty much anything—as permitted exceptions, and ensure that the legislation makes reference to "similar work" or "work of equal value."

In terms of students—being in the post-secondary sector, I've seen a number of students, some of whom work at golf courses. My experience is that they're actually saving to pay for tuition and to pay for rising costs of housing, textbooks and food while at school, not necessarily luxury items. But for students, they're certainly paying the same tuition to the university. Governments are providing the same funding to universities

regardless of who is teaching the class, whether that's a full-time tenured faculty member or a precariously employed sessional faculty member. Quite simply, the person in front of the class is being paid less, and students are paying exactly the same and getting just as high-quality an education. I don't think that equates with fairness.

Something that is very important to our local, and other locals that represent sessional faculty, is changing the legislation to make reference to "similar work" or "work of equal value." We think that best encompasses the work that sessional faculty do.

Ms. Peggy Sattler: Okay. Thank you very much. You focused the first part of your presentation on the need to remove the exemptions under the Labour Relations Act to address barriers to workers to joining a union. Are there any other issues that you have with the current provisions of Bill 148, and improvements you might suggest that would help make it easier for workers to join a union?

Mr. Brad Walchuk: Not necessarily on the right to a join a union. I think that in the Labour Relations Act, the exemptions that are currently there are problematic. In regard to other amendments to the Labour Relations Act involving the right to join a union, I think the return to card-check certification is certainly something that is important to not only workers in the agricultural sector but workers in any sector.

This model was in place since the late 1940s, when the concept of the Labour Relations Act first came to Ontario in the postwar era. It existed until 1995, for over a 40-year period, and I think it worked fundamentally well. There were subsequent changes here and there, but the basic concept of giving workers the option to secure union rights through card-check certification worked for upwards of 40 years. It was changed in the late 1990s.

There has been a partial change in the construction industry since 2003.

In terms of access to joining a union, in terms of making the process more efficient, in terms of making the process more secure, and in terms of mitigating against some potential employer interference, I think that a return to card-check certification across the Labour Relations Act for all sectors would be another important change that we certainly support.

Ms. Peggy Sattler: Thank you. Finally, can you speak a little bit about the impact on students who are taught by sessional faculty, and their ability to access their instructors and to get letters of reference and that kind of thing?

Mr. Brad Walchuk: For sure. I think in a lot of cases, students are unaware of who is teaching them. I think in a lot of cases, students see a professor in front of the classroom, as they should, and a professor is a professor is a professor. I think what students are often unaware of is the fact that some of those professors earn, on average, \$150,000 a year—

The Vice-Chair (Ms. Ann Hoggarth): Thank you. We'll move to the government. MPP Colle.

Mr. Mike Colle: Just one question, connecting with the previous representative from the golf courses talking about the different types of workers. Student workers: There are some who are basically not in dire need of their money. They're spending it on perhaps non-essential goods, we'll say. And then there are the others, who are working basically to put food on the table, whether they be students or adults.

How could a government, or how could a piece of legislation, ever determine who was more worthy of the full minimum wage? How could legislation ever say that if you work at a golf course, you don't really need the money, so you get a lower minimum wage, and then this other group, that works in restaurants, gets the \$15?

I think you made some valid points. There's a difference, obviously. You seem to have a good historical knowledge of the Labour Relations Act. How could legislation ever determine that there are different types of workers with different needs?

Mr. Brad Walchuk: I don't think that it can, and I don't think that it should. In terms of legislation, when we're addressing questions of remuneration—I mean, for me, how does someone get paid? I think they're paid for the labour that they put in, as opposed to their familial situation or where they choose to spend their money.

I used to work at a golf course for a number of years as a student, making minimum wage. I think the question is, are you putting in the same effort, the same labour as co-workers? In regard to people working on a golf course, I don't think that legislation could possibly say, "Well, you live at home with your parents, and you're going to go buy an iPad or spend money going to Cuba." I think the question is, are workers putting in time? Are workers putting in effort? Are they putting in their labour power? I think the answer to those questions is yes. For legislation to try and figure out the personal situation of a worker—I don't think legislation can do that, and I don't think that legislation should do that.

When I look at our own members, the question is, "Are you doing the exact same thing or a very similar thing or a closely related thing to, say, your full-time colleagues at a university?" Yes, if you're teaching in front of the classroom, if students are paying tuition, if students are gaining knowledge from your experience and your expertise.

In the case of our membership, regardless of whether or not you have a secure tenure appointment, the compensation that you are provided should be the same for someone doing work that is similar, of equal value. That's true for golf courses, and I think that's true for universities, and I think that's true for any worker of any employer in the province.

The Vice-Chair (Ms. Ann Hoggarth): MPP Dong.

Mr. Han Dong: Brad, first of all, thank you for coming to the committee and giving us this great presentation.

I want to talk about the sessional faculty that you mentioned. Can you tell the committee what your observation is on the average wage of sessional faculty?

Mr. Brad Walchuk: We have the benefit of a collective agreement through unionization. The current rate at McMaster for what is considered a three-unit course—at some universities, it would be considered a half-credit course—basically, something that runs for four months, is \$7,050.

Mr. Han Dong: Wow.

Mr. Brad Walchuk: In some cases, we have members who are teaching a similar course; in some cases, we have members teaching a few courses. We've got a number of members whose exclusive employment is as sessional faculty.

You can envision the difficulties of trying to cobble together a reasonable standard of living while earning \$7,000 a time, particularly without the job security, where you're applying course to course to course.

There's one person I know quite well who basically gets by—that's probably using the term loosely—who somehow survives on an average of three courses a year, so less than—

Mr. Han Dong: So \$22,000, \$21,000.

Mr. Brad Walchuk: —\$22,000 a year. This is the case for a lot of sessional faculty, that it's their exclusive employment. In some cases, they're working at multiple universities, which of course poses some issues to students when your office ends up being your car and you're working at, say, McMaster and Laurier and Guelph, and doing the southern Ontario loop, basically, to try to cobble together enough contracts.

In terms of the equal pay provisions, to be able to expand those to include similar work will at least provide more money in the pockets for people doing quite similar work to their full-time colleagues.

The Vice-Chair (Ms. Ann Hoggarth): Thank you for your presentation.

Ms. Daiene Vernile: Our last presenter.

The Vice-Chair (Ms. Ann Hoggarth): Pardon me?

Ms. Daiene Vernile: Our last presenter, the last of the day.

The Vice-Chair (Ms. Ann Hoggarth): That is correct.

The deadline to send in a written submission to the Clerk is by 5:30 on Friday, July 21. Thank you.

Mr. Brad Walchuk: Thank you.

Mr. Mike Colle: Madam Chair, before you—

The Vice-Chair (Ms. Ann Hoggarth): Yes.

Mr. Mike Colle: I just want to share with the committee some information that was sent to me by one of the previous presenters. Remember that we were talking about the cost to employers going through turnovers and whether there were any studies done on the cost of turnover of staff? One of the presenters sent an email with three reference studies on that area. I'm just asking that we send it to the researcher to share with the committee.

The Vice-Chair (Ms. Ann Hoggarth): Is everyone okay with that? Okay. We will do that, then.

We will adjourn until tomorrow in Niagara Falls. Thank you.

The committee adjourned at 1721.

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